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IN THE

Supreme Court of the United States

AUG 26 1970
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October Term, 1970
No. 597

THE BADA COMPANY,

Petitioner,

vs.

MONTGOMERY WARD & CO., INCORPORATED, FMC CORPORATION, WEAVER MANUFACTURING CO., a division of DURA CORPORATION, and BIG FOUR INDUSTRIES, INCORPORATED,

Respondents.

VOLUME I.

Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

(Appendix in Volume II.)

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Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

The Bada Company prays that a writ of certiorari issue to review the judgment entered in these cases on April 28, 1970, by the United States Court of Appeals for the Ninth Circuit which affirmed in part and reversed in part the judgment of the United States District Court for the Central District of California, entered June 28, 1968.

Orders, Opinions and Judgments Below.

The opinion of the Court of Appeals (A. 3)* is reported at 426 F. 2d 8, 165 USPQ 483. The judgment of the District Court (A. 12) is unreported. Likewise, the findings of fact and conclusions of law of the District Court (A. 15) are unreported. The opinion of the Board of Appeals of the United States Patent Office which was entered on July 19, 1961 (A. 41) is also unreported.

Jurisdiction.

The opinion and judgment of the Court of Appeals was rendered and entered on April 28, 1970 (A. 3). Bada's timely petition for rehearing was denied by an order entered on June 2, 1970 (A. 10). The mandate of the Court of Appeals has been stayed until September 2, 1970 to permit this Petition to be filed (A. 11). The jurisdiction of this Court is invoked under Section 1254(1) of Title 28 of the United States Code.

Questions Presented.

1. Whether it is contrary to public policy and also contrary to the patent and trademark laws for the validity of patents and trademarks to be determined by a judicial consideration of the individual constituent elements of the patent or trademark solely, rather than of the invention or trademark in its totality?

2. *Graham v. John Deere Co.*, (1966) 383 U.S. 1, established guidelines for the determination of obviousness for inventions residing in single elements, which

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*References herein:
A., B., C., and D. refer to the appendix to this petition, which is separately presented;
R. T. refer to the Reporter's Transcript; and Ex. refers to to exhibits.

reduces to essentially a *per se* determination. Where the claimed invention is an overall method or an overall apparatus, in determining whether the invention is obvious, is it contrary to public policy and to the patent laws to opply the *per se* determination of *Graham* by a judicial piecemeal analysis of the constituent elements of the method or apparatus broken down into bits and pieces, and of the prior art also broken down into bits and pieces; all without regard to the overall properties of the invention or the prior art as a whole at the time of the invention and in the context of the art and business in which the invention was made;

Or, in other words, is a finding of "structural obviousness" alone sufficient to support a finding of obviousness under 35 U.S.C. §103?

3. Whether it is contrary to public policy and contrary to the trademark laws to determine that a trademark is merely descriptive of the articles upon which it is employed by a judicial analysis of individual words, without regard to the objective meaning of the trademark in the context of the art and business in which the trademark is employed?

Constitutional Provisions and Statutes Involved.

The cases directly concern the interpretation and application of Section 103 of Title 35 of the United States Code, which provides in pertinent part:

> "§103. *Conditions for patentability; non-obvious subject matter.* A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been ob-

vious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

The cases also directly concern the interpretation and application of Section 1052 of Title 15 of the United States Code, which provides in pertinent part:

"§1052. *Trademarks registrable on the principal register.* No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . .

"(e) consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them . . ."

Also involved are the purposes and provisions of Article I. Section 8 of the United States Constitution, which provides:

"Clause 8 [*The Congress shall have Power . . .*] to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

Statement of the Case.

A. Bada's Patents and Trademarks.

Bada was formed in 1955 as a two-man partnership. It developed a system and equipment for balancing wheels for motor vehicles which achieved rapid success.

Over a period of seven years Bada obtained the two patents and five trademark registrations involved in this litigation, all of which were held invalid by the Court of Appeals.

Patent No. 3,002,388 [Ex. 1] claims a complete, overall method of wheel balancing, with claim 1 (C. 49) involving the combination of five interrelated procedural steps. The patented method permits the use of three particular sizes of wheel weights, instead of the eight to twenty sizes required for other systems. The method produces a new result—a wheel balancing procedure that positions the weights at locations which are different from those of other balancing procedures [R. T. 719 and 822-824]—and it achieves both dynamic and static balance with a static balancer.

The Patent Office cited six prior art patents which, when broken down into constituent steps, disclose each of the individual procedural steps of the method. Bada's patent application was rejected on the ground that the individual steps were old and their combination would have been obvious. However, the Patent Office Board of Appeals held that the invention as a whole was not obvious in view of the prior art and ruled that the method was patentable [Ex. X, A. 41, 46-47].

Patent No. 3,055,221 [Ex. 3] claims a complete, overall static balancer. For example, claim 1 (D. 50) requires the combination of seven functionally interrelated elements. This combination provides a balancer having a pivot head and a movable pedestal which engages the pivot head when the balancer is "on". The pivot head is the sensitive component. The combination is unique in that the pivot head is arranged so that it can be removed for repairs or replacement, and in that the components are arranged so that the weight of a wheel interacting through the components of the balancer will maintain the balancer in an "on" position, and

wherein the balancer automatically assumes the "off" position by disengaging the movable pedestal from the pivot head to protect it when the weight of a wheel is removed. The latter function is provided in part by a specially shaped cam and a spring which interact with the pedestal and with the support frame to cause the weight of the wheel to be carried by the pedestal and the pivot through the frame when the balancer is "on" and solely by the frame when the balancer is "off".

The decision of the Ninth Circuit states that it is conceded that the pivot point balancer was known to the prior art, and it directed its analysis solely to whether or not the addition of a cam and spring to a prior art balancer constituted invention. However, it was not conceded that the balancer structure exclusive of the cam and spring, as claimed in Bada's patent, was old. This is set forth in detail at pages 24-29 of the "Brief for Plaintiff-Appellant" before the Ninth Circuit, which appears in Volume One of the record before this Court. Moreover, the patent claims are directed to the overall balancer as a whole, and not merely to the addition of a cam and spring to a balancer (D. 50).

The Patent Office cited seven prior art patents showing several pivot balancers, including Bada's earlier model. The proceedings before the Patent Office were based upon the invention defined by the claims, which is the overall structural combination, the functional relationship of the constituents, and the result, all with respect to the balancer as a whole, as claimed. The Patent Office did not limit the invention to the addition of a cam and spring to the prior art because it based its analysis upon the claims of the patent application.

After rigorous examination and prosecution, the Patent Office allowed the claims of the balancer patent over the prior art [Ex. Y].

The patented method and balancer provide a simple system and apparatus that can be used commercially by unskilled persons after ten minutes of instruction.

The trademark registrations Nos. 615,732; 674,516; 686,839; 686,840; and 689,867 are for use on wheel weights and wheel balancers. The words "Micro" and "Micro-Precision" are either the trademarks or the predominant part of the trademarks as registered.

Bada employed the trademarks on its wheel weights, balancers, instruction sheets, and sales literature. It provided its customers with promotional materials featuring the trademark "Micro-Precision".

B. The Appropriation of Bada's Inventions and Trademarks by Defendants.

Defendants FMC, Big Four and Dura Corporation were engaged in wheel balancing long before the formation of Bada in 1955. In 1959, these defendants started marketing wheel balancers, wheel weights, and instructions as to the method of balancing wheels that were identical with those of Bada in all material respects. FMC and Big Four employed the trademark "Micro-Balance".

The manager of the wheel balancing operation of FMC reported to his parent corporation on June 23, 1959, that:

> "In order to maintain our present position and capture some lost ground, we have had to adopt a program similar to that used by Bada" [Ex. 11 to Ex. 93].

FMC in its sales literature characterized the new system as:

> "A revolutionary method which brings scientific accuracy, speed and simplicity to wheel balancing service" [Ex. 11 to Ex. 93].

Defendant Wards was also engaged in wheel balancing long before the formation of Bada in 1955. From 1957 to 1961 Wards was a customer of Bada. It used Bada's balancers, the new method, and promotional material featuring the trademark "Micro-Precision". Its sales of wheel balancing tripled.

In early 1961 Wards abruptly stopped doing business with Bada. It acquired balancers from defendant FMC and it continued using Bada's balancing method. Wards also continued to use promotional material featuring the trademark "Micro-Precision", including large banners stating "Wheels Balanced the Micro-Precision Way" [Ex. 80] for an extended period of time.

C. The Litigation.

Suits were instituted against defendants FMC, Big Four and Dura, and also against Wards in November 1962 for patent and trademark infringement and unfair competition. Jurisdiction of the Federal District Court was based upon Section 1338 of Title 28 of the United States Code. The actions were combined for the trial and the appeal.

The District Court held the two patents infringed but invalid, and the five trademark registrations valid and infringed.

The Court of Appeals affirmed as to patent invalidity, and reversed as to trademark validity, thereby holding all of the patents and trademarks invalid.

Both of the inventions involve new combinations—one for a complete overall method, and one for a complete overall appartus. Obviousness under 35 U.S.C. §103 was essentially the only issue concerning the inventions.

The courts expressly noted that the inventions filled a long-felt need and enjoyed commercial success (A. 3, 5), but they attributed little or no weight to these factors in ascertaining obviousness.

Likewise, the courts gave little or no weight to:

(a) the evidence that the Bada method and apparatus patents both involve new combinations, the overall functions of which are different from the prior art, and which produce new and improved results;

(b) the evidence that those in the trade were skeptical of the Bada system, but that was overcome by demonstrations of the system over an extended period of time [R. T. 379-380; 715-719];

(c) the evidence that the Bada system has been adopted by most of the major tire retailers to the extent that the Bada system is now virtually the standard of the industry [Ex. I, No. 22];

(d) the evidence that both the inventions produce results that had not been attained before;

(e) the evidence shown by the prior art that there was much confusion in the trade concerning how to go about static wheel balancing;

(f) the evidence that sophisticated competitors that had been in the business long before Bada found it necessary to copy the two inventions in order to remain competitive [Ex. 11 to Ex. 93];

(g) the evidence that the Board of Appeals of the Patent Office held the claims of the method patent to be non-obvious over exactly the same prior art relied upon by the Ninth Circuit [A. 41]; and

(h) the evidence that the Patent Office held the claims of the balancer patent to be patentable over exactly the same prior art relied upon by the Ninth Circuit [Ex. Y].

Neither court analyzed the properties of the inventions as a whole in the context of the art and business involved. Both of the courts made a judicial analysis of the bits and pieces comprising the individual constituents of the inventions, and then reached the legal conclusion that the inventions would have been obvious to one skilled in the art.

Descriptiveness under 15 U.S.C. §1052(e) was essentially the only issue concerning the trademarks. The only evidence presented on this issue by defendants was by way of request that the court take judicial notice of dictionary definitions and of the telephone directory for Los Angeles, California, where several company names employ the word "Micro" [R. T. 136, 1101]. None of the companies was involved in the wheel balancing industry.

The Court of Appeals held both trademarks to be merely descriptive of wheel weights and balancers. It based this conclusion upon a judicial analysis of the dictionary definitions of the two words.

I.

The Need for Review of the Issues Relating to the Determination of Obviousness Raised by Questions One and Two.

A reason urged by Bada for granting the petition is that the Court of Appeals for the Ninth Circuit has rendered a decision concerning obviousness, which is part of a series of similar decisions* in the Ninth Circuit that are in conflict with the decisions of other courts of appeal on an important question of federal law which should be settled by this Court in order to achieve "that uniformity and definiteness which Congress called for in the 1952 Act" *Graham v. John Deere Co.*, (1966) 383 U.S. 1.

The tests to be applied in determining the issue of obviousness under the 1952 Act were enumerated by this Court in the trilogy of *Graham, Calmar* and *Colgate-Palmolive,* (383 U.S. 1). However, the invention in each of those cases resided in essentially one element, *i.e.*, a hinge in a plow, and a rib seal and overcap in a plastic finger sprayer. This Court found it unnecessary to consider the devices as a whole. Thus, the determination as to patentability was reduced to a determination of whether or not the element performed any differently than it did in the prior art. This becomes essentially a *per se* determination of obviousness because it is unnecessary to consider the overall device or process. Hence, it became unnecessary in the trilogy to ascertain the way several structural elements are combined, their functional relationship, or the overall result produced.

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*e.g., *Stevenson v. Diebold, Inc.*, 422 F. 2d 1228, 165 USPQ 10, Petition for Writ of Certiorari No. 487, Oct. Term, 1970.

The application of the tests of the trilogy to claimed inventions involving several steps or elements which cooperate functionally to provide an overall invention has resulted in conflicts in the different courts of appeal. Consequently, guidance by this Court as to the proper application of the tests in determining the issue of obviousness, where the invention resides in the cooperation of several method steps or elements, is needed. The continuing application by the courts of appeal of the tests applied by this Court in the *Graham, Calmar* and *Colgate-Palmolive* cases, where the invention resided in a single element, to cases where the invention resides in plural cooperating steps or elements is not achieving the objectives of the patent laws which is to encourage innovation and invention, thereby promoting the progress of the arts and sciences pursuant to the Constitutional dictates. The determinations based upon judicial piecemeal examations are court oriented, rather than art oriented. They are causing a deterioration of the patent system.

The question, restated, is whether the Court may properly base its judicial determination of obviousness of an invention comprised of several interacting elements upon a finding that the constituent elements are old, *i.e.*, structural obviousness, as was done in the *Graham* case because of the single element invention, rather than upon the evidence of what those skilled in the art were doing at the time the invention was made, and whether the invention *as a whole* was obvious to those skilled in the art?

The need for settling the question is pointed up in the May Developments issue of "Patent Law Perspectives" by Dunner, Gambrell and Kayton, Copyright

1970 by Mathew Bender & Company. Conflicting decisions from different circuit courts of appeal were reviewed prior to the availability of the present case, with the observation at §A.1-22.2 that:

> "The Ninth Circuit continues its piecemeal examination of claimed elements to determine whether they are old or not. If each of the claimed elements is old, it routinely holds the claim invalid without addressing itself to the invention as a whole, as required by Section 103."

The present cases are a continuation of that practice of finding invalidity based on "structural obviousness" alone.

The need for settling the question is of major importance because obviousness is an issue in most patent litigation, and the courts have focused on obviousness with greater intensity since the trilogy of *Graham,* etc. However, in the trilogy this Court did not provide guidelines in the context of an invention which is directed to an overall device or a complete method, such as in the present cases.

Likewise, in *Anderson's-Black Rock v. Pavement Salvage Co.,* (1969) 396 U.S. 57, this Court directed its attention to the bits and pieces of an overall combination because the invention constituted the mere placement of four known devices on one chassis without any functional interrelationship. Although experts testified as to their doubts as to whether the apparatus could achieve the desired result, they were concerned only with whether one of the devices would produce particular results, and not with the combination as a whole.

In *Great A. & P. Tea Co. v. Supermarkets Equipment Corp.*, (1950) 340 U.S. 147 this Court provided guidelines directed to inventions involving combinations of elements. However, the patent claims in that case were directed to a combination only to the extent that they recited an open pusher frame movably mounted on a cashier's counter (see claims 4, 5 and 6 which are reproduced at 340 U.S. 148). This Court based its decision upon an analysis of the counter and pusher frame and found that these two elements did not perform any differently when brought together than they performed in the prior art. Nothing new resulted from such a combination. Again, this reduces to essentially a *per se* determination of obviousness based upon an analysis of the bits and pieces. Also, *A. & P.* was not decided in the context of the 1952 Act where Section 103 concerning obviousness of the invention as a whole first appeared in statutory law.

In view of the *per se* obviousness in the trilogy, in *Anderson* and in *A. & P.*, it was not necessary to consider the various indicia indicating non-obviousness.

However, where the invention resides in the combination of several steps or elements which perform a new overall function and produce a new result, as in the present cases *per se* obviousness based upon an analysis of the constituents individually does not exist. Consequently, the other indicia of obviousness and of non-obviousness should be considered. The Ninth Circuit did not do this.

These indicia include an analysis of the overall properties of the invention as a whole, the level of skill in the art, the significance of the invention as a whole to those skilled in the art, the result produced, whether

a long-felt need was satisfied, and whether there was commercial success. A determination of the properties of an invention as a whole requires an analysis of the overall structure, the overall function, and the overall result in the light of the corresponding properties of the prior art, and not just the properties of individual elements. *Bates v. Coe,* (1878) 98 U.S. 31. All of these factors are significant indicia of obviousness or non-obviousness so far as those to whom the invention is directed are concerned, yet they were summarily rejected as being insignificant by the Ninth Circuit.

The prior art relied on by the United States Patent Office is also important in determining the issue of obviousness. The Ninth Circuit based its decision concerning the method patent upon exactly the same prior art that the Patent Office considered. Yet, the Board of Appeals of the Patent Office, after analyzing both Bada's invention and each piece of prior art as a whole, expressly found that Bada's method was not obvious in view of that art (A. 46-47). Similarly, the Ninth Circuit considered the same prior art with respect to the balancer patent that was considered by the Patent Office (Ex. Y).

Obviously, the Ninth Circuit and the Patent Office used different standards. The Ninth Circuit focused upon constituent elements rather than upon their cooperative relationship and the properties of the inventions of Bada's patents and of the prior art as a whole. Each of Bada's patents claims several elements which cooperate to make up the whole of the invention. However, the Ninth Circuit concerned itself with the individual trees (elements) rather than the forest (the overall invention).

In *United States v. Adams*, (1966) 383 U.S. 39, this Court upheld an invention which involved a combination of elements which was not obvious, although each of the elements was old in the art, just as in the present cases. The piecemeal examination presently employed by the Ninth Circuit would compel a finding of obviousness and consequent invalidity in that case.

Although the Ninth Circuit purported to distinguish *Adams* over the present cases on the basis that Adams produced a wholly unanticipated result, the Court merely considered the results produced by the individual elements of Bada's inventions, and not the result produced by the overall invention as a whole. As to the latter, those engaged in the art were at first skeptical but later characterized the inventions as revolutionary [R. T. 379-380; 715-719; Ex. 11 to E . 93].

It would be a rare patent indeed that could survive the piecemeal examination employed by the Ninth Circuit if the pieces are broken down small enough to be things within the knowledge of the Court. Such a breakdown of inventions is largely a matter of ingenuity of counsel, and it has little to do with the merits of the invention. Bada's seven other patents* involve method steps or mechanical elements which are similar to those in suit, and would be vulnerable to the piecemeal examination presently employed by the Ninth Circuit. Yet these patents were issued by the Patent Office in the ordinary course of business. Such a harsh result inevitably dilutes the incentive aspect of the patent system significantly.

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*2,909,063 - 3,085,422
3,326,051 - 3,474,677
3,474,678 - 3,474,679
3,478,603

Although this Court observed in *Graham* at page 17 that the revision of the patent laws in 1952 and the codification of *Hotchkiss v. Greenwood,* (1851) 11 How. 248, 13 L. Ed. 683, "was not intended by Congress to change the general level of patentable invention" statistics* clearly show that the courts in several of the circuits, including the Ninth, are requiring a higher level of invention to sustain validity since *Graham* in 1966 than was required from 1952 to 1966. It is a well known fact, and statistics bear this out, that the level of invention required by the courts is different in some circuits than in other circuits. Yet it has been recognized on numerous occasions that public policy requires uniformity in the determination of this federal question, *e.g., Sears, Roebuck & Co. v. Stiffel Co.,* (1964) 376 U.S. 225.

The provisions of 35 U.S.C. §103 were enacted by Congress pursuant to Article I, Section 8, Clause 8 of the United States Constitution which enabled Congress to do so in order to promote the progress of science and useful arts. Section 103 requires that the determination be based upon whether or not "the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art".

Public policy as expressed in the Constitution and in Section 103 require a factual evaluation based upon the properties of the subject matter as a whole (and not just the individual elements) in the eyes of those

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*e.g., See "Patent Adjudication by Circuit Courts Subsequent to Graham v. John Deere . . ." published by the Patent Resources Group, Washington, D.C., and reproduced in Appendix B.

having ordinary skill in the art (and not merely in the eyes of a court) which promotes the progress of that art. The present inventions are supported by overwhelming evidence which satisfies these requirements of public policy.

That the properties of the subject matter of the claimed inventions as a whole and what is disclosed by each piece of prior art as a whole should control in the determination of obviousness even where the individual elements are old has been recognized in other circuits and in the Court of Customs and Patent Appeals.

Eagle Iron Works v. McLanahan Corp., (3rd Cir. 1970) .... F. 2d ...., 166 USPQ 225;

Commissioner of Patents v. Deutsche Gold, (D. C. Cir. 1968) 397 F. 2d 656;

Application of Hoeksema, (C.C.P.A. 1968) 399 F. 2d 269;

Application of Wiggins, (C.C.P.A. 1968) 397 F. 2d 356;

Application of Lunsford, (C.C.P.A. 1966) 357 F. 2d 380;

Application of Papesch, (C.C.P.A. 1963) 315 F. 2d 381;

Application of Wright, (C.C.P.A. 1959) 268 F. 2d 757.

All of the courts should apply uniform standards and tests. A writ of certiorari is sought for this purpose.

II.

The Need for Review of the Issues Relating to the Determination of Descriptiveness Raised by Questions One and Three.

Another reason urged by Bada for granting the petition is that the Court of Appeals for the Ninth Circuit has rendered a decision concerning descriptiveness of trademarks in conflict with decisions of this Court and other courts of appeals on an important question of federal law which should be clarified by this Court so that uniform standards will be applied in our federal trademark system.

The need for settling the question is of major importance because descriptiveness is frequently an issue in trademark litigation and also in the administration of the trademark laws by the Patent Office, and because this Court has not interpreted the pertinent provision of the Trademark Act of 1946. The last decision of this Court involving descriptiveness is *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, (1938) 305.U.S. 315.

The question that should be settled by this Court is whether the determination of descriptiveness of a trademark may be based upon a subjective judicial analysis of the individual words of the trademark, or whether the determination of descriptiveness should be based upon an objective analysis of the meaning of the trademark in the context of the art and business in which it is employed.

Under 15 U.S.C. §1052(e), registration of a trademark shall be refused if it is merely descriptive when applied to the goods. Bada's five trademark registrations are for use of the marks "Micro" and "Micro Precision" on wheel weights and wheel balancers. The Patent Office, when it considered Bada's five applications over a period of several years, did not even suggest that the marks are descriptive.

No evidence was presented in this litigation concerning descriptiveness of these words in the wheel balancing business. The only evidence presented by defendants on this issue was the request that the court take judicial notice of dictionary definitions and of the Los Angeles telephone directory. [R. T. 136, 1101] where several company names employ the word "Micro".

The Ninth Circuit based its decision solely upon a judicial analysis of the words. Although the Ninth Circuit recognized that it must consider standards of meaning prevalent among prospective purchasers, the court actually used its own standard of meaning for the words. It could not do otherwise because there is absolutely no evidence of record as to standards of meaning prevalent among prospective purchasers or what those in the trade used to describe their products. The use of "Micro Balance" by defendants FMC and Big Four when they copied everything that Bada did in order to stay in the wheel balancing business was a trademark usage to ride on Bada's goodwill and it was not usage in a descriptive sense.

In making its subjective analysis, the Ninth Circuit took notice of Bada's advertising and briefs which state that its system allows wheels to be balanced with weights

of the smallest of three possible sizes. The Court then noted that according to the dictionary definition of "micro", it means extremely small, or tiny, and concluded that "micro" is descriptive of the size of Bada's wheel weight. However, the three weight sizes have lengths of one, two, and four inches, which does not conform with the dictionary definition or with any other meaning or use of the word "micro". Moreover, the wheel balance could require the largest of the three sizes, rather than the smallest.

"Micro-Precision" was the mark primarily employed by Bada. The Ninth Circuit analyzed the two words separately, noting that precision means accurate and precise, and stated:

> "The addition of the element 'Micro' only strengthens the meaning, and denotes that the system is more than ordinarily accurate and precise. It is true that 'micro' in this sense appears in no dictionary, and were we grammarians we should perhaps flinch at its use . . . And, however barbarous the use, we have no doubt that in the jargon of the trade 'micro' functions as little more than an inexact intensifier for 'precision.'" (A. 3, 8).

The record is devoid of anything tending to show what the jargon of the trade was or is. The decision of the Court is based upon a dissection of the two words of the mark, and the Court's subjective conclusion based upon such an analysis.

Such dissection of a trademark is in direct conflict with *Blue Bell Co. v. Frontier Refining Co.*, (10th Cir. 1954) 213 F. 2d 354, where the court stated:

> "The question whether a trademark is distinctively valid depends upon a consideration of its elements as a whole, not its dissected parts."

The words "Micro" and "Micro-Precision" do not tell a purchaser what the goods *are* or what they *do*. These are the critical factors according to *Pacific Industries, Inc. v. Minnesota Mining & Mfg. Co.*, (C.C.P.A. 1970) 425 F. 2d 1265, 165 USPQ 631, and the decision of the Ninth Circuit is in direct conflict with that decision.

Likewise, the decision of the Ninth Circuit is in direct conflict with *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, (1916) 240 U.S. 251, when this Court considered whether "The American Girl" was descriptive of shoes. The Court noted that a determination as to descriptiveness must be made in the context of the business in which the mark is employed, and observed that the mark would be as descriptive of almost any article of manufacture as it would be of shoes and hence the mark was not descriptive of the particular product. The words "Micro" and "Micro-Precision" are as descriptive of almost any article of manufacture as they are of wheel weights and wheel balancers, and hence these words are not descriptive of Bada's products in accordance with *Hamilton-Brown*.

Public policy as expressed in 15 U.S.C. §1052(e) requires a determination of whether or not a mark is *merely* descriptive of the goods as sold and used in commerce. This requires an objective analysis based

upon trade usage, and a subjective analysis based upon dictionary definitions does not comply. Otherwise the word "merely" in the statute would be meaningless.

If it is necessary to go through a mental exercise in order to say that mark is descriptive as was done by the Ninth Circuit, a subjective standard results, which will vary from court to court.

Public policy and 15 U.S.C. §1052(e) require that an objective standard, based upon standards of meaning actually used in the trade or business, be employed in order to achieve uniformity.

Conclusion.

Bada obtained two patents and five trademarks to protect its developments in a new enterprise over a period of several years. The patent claims are directed to a complete, overall method and to a complete, overall apparatus, each employing several steps or elements.

All of the patents and trademarks have been held invalid by determinations based upon dissection of the components and subjective judicial analysis of the bits and pieces, rather than the subject matter as a whole. The Ninth Circuit focused its attention upon the trees, rather than the forest. It has held that structural obviousness alone is sufficient to warrant a finding of invalidity.

Where several elements are employed in an invention, a piecemeal analysis of the individual bits and pieces of the invention and of the prior art, as em-

ployed by the Ninth Circuit in applying its improper subjective standard, renders virtually all such inventions unpatentable as being obvious. The determination should be based upon an objective standard concerned with the reaction of those to whom the invention is directed as to the properties of the invention as a whole. This requires an analysis of the overall combination, the overall function and the overall result.

This Court has indicated that determinations of patent validity should focus with greater intensity upon the requirement of non-obviousness. This is essentially a state of mind. Further guidance is required by this Court as to whether the state of mind of a court should control, or whether the state of mind of those in the art and trade, as determined objectively, should control.

Although this Court has provided guidelines for the determination of obviousness, it did so in the context of inventions directed to essentially single elements which reduced to *per se* obviousness. Further guidance is required for inventions directed to overall methods or overall apparatus, where structure, overall function and overall result are the basic indicia, both as to the significance of the prior art and of invention in the context of that art.

Likewise, further guidance is required by this Court as to whether descriptiveness of a trademark should be determined by a subjective judicial analysis of the words

of the mark, as done by the Ninth Circuit, or by an objective analysis of what the trademark means to those engaged in the art and business.

Public policy and the patent and trademark laws require that all such determinations be based upon uniform objective standards, rather than upon subjective standards that inevitably vary from court to court.

Guidance by this Court on these matters is of substantial importance because they affect fundamental rights concerning intellectual property which arise every day.

Respectfully submitted,

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FILED
AUG 26 1970
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

October Term, 1970
No. 597

THE BADA COMPANY,

Petitioner,

vs.

MONTGOMERY WARD & CO., INCORPORATED, FMC CORPORATION, WEAVER MANUFACTURING CO., a division of DURA CORPORATION, and BIG FOUR INDUSTRIES, INCORPORATED,

Respondents.

VOLUME II.

Appendix to Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

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APPENDIX A.

Opinion of the United States Court of Appeals for the Ninth Circuit.

United States Court of Appeals for the Ninth Circuit.

The Bada Company, a California corporation, *Plaintiff-Appellant, Cross-Appellee,* vs. Montgomery Ward & Co., Incorporated, an Illinois corporation, *Defendant-Appellee, Cross-Appellant.* No. 23,436.

The Bada Company, a California corporation, *Plaintiff-Appellant, Cross-Appellee,* vs. FMC Corporation, a Delaware corporation; Weaver Manufacturing Co., a Division of Dura Corporation, a Michigan corporation; Big Four Industries, Incorporated, an Ohio corporation, *Defendants-Appellees, Cross-Appellants.* No. 23,433.

[April 28, 1970]

Appeal from the United States District Court for the Central District of California.

Before: DUNIWAY, HUFSTEDLER and WRIGHT, Circuit Judges.

WRIGHT, Circuit Judge:

Appellant is the owner of two patents relating to a system of balancing automobile wheels, and of the registered trademarks "Micro" and "Micro-Precision," applicable to wheel weights and balancers used in the patented system. This action is for infringement of both patents and trademarks, and for unfair competition. The District Court found that the patents were invalid for obviousness, 35 U.S.C. § 103, but that if valid they had been infringed. It held the trademarks valid and infringed, and awarded damages. De-

fendants' counterclaim, alleging patent and trademark misuse, was dismissed, and it has been abandoned in oral argument here.

I.

The record shows that plaintiff's predecessor in title was the inventor of a method for balancing automobile tires covered by patent No. 3,002,388. The patented system involves four steps. First, the wheel is placed horizontally on a balancer equipped with a spirit level and allowed to tilt freely from side to side. The bubble in the spirit level indicates the location of the "light spot" on the wheel—the point of greatest imbalance and the one which tips up the highest when the wheel tilts. Second, four equal weights are placed on the rim of the wheel, two on each side of the light spot and immediately adjacent to it. The weights are of a size such that when all four are placed at the light spot, they are sufficient to correct the tilt of the wheel and just slightly to "overbalance" it. Third, the pairs of weights are moved away from the light spot equal distances along the rim, until the induced overbalance is precisely corrected and the angle of tilt, as shown by the spirit level, is zero. Fourth, one of the weights in each pair is fastened into position; the other is removed, and fastened into the corresponding position on the other (nether) side of the wheel.

The system is simple and easy to apply, and there is no dispute that its application solved what had been a problem in the industry—the development of a speedy method for wheel balancing that could be taught to relatively unskilled workers. Commercial success followed.

The District Court however found, and we agree, that each of the elements in the patented process was

covered by the prior art. Thus the Booth patent, British No. 731,459, discloses a static balancer on which the wheel is placed horizontally and which utilizes a spirit level to indicate imbalance. The Booth patent, the Hume patent, No. 2,052,295, and the Morse patent, No. 2,136,633, all involve placing weights at the light spot and "fanning" them out until the wheel is precisely balanced. The Holl patent. No. 2,592,804, and the Lowe patent, No. 2,700,892, disclose the division of weights and the attachment of one in each pair to the opposite rim.

The patent in suit, then, is merely a combination of known prior art elements. We are enjoined to scrutinize such patents "with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements." *Great A. & P. Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147, 152 (1950). To be sure, the combination here filled a long-felt need and enjoyed commercial success. But that is not enough to show patentability. *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969); *Carborundum Co. v. Wilbanks*, ... F.2d ..... (9th Cir., Dec. 23, 1969). Nor is this a case where a joinder of known elements produced a wholly unanticipated result, *cf. United States v. Adams*, 383 U.S. 39 (1966). On the contrary, the spirit level indicated the light spot, as it had before; moving the weights brought the wheel into static balance, as it had before; and transferring one weight to the other rim achieved dynamic balance, as it had before. "Two and two have been added together, and still they make only four." *Great A. & P. Tea Co., supra*, 340 U.S. at 152.

Essentially the same is true of the device covered by appellant's patent No. 3,055,221 an improvement to the

prior art pivot point wheel balancer. Pivot point wheel balancers are not different, in their essentials, from a teeter-totter of the old-fashioned type. The wheel to be balanced is placed on a support member, attached in its turn to a metal ball. When the balancer is in the "on" position, the ball pivots on a flat metal platform, tipping to one side or the other if the wheel is imbalanced. When the balancer is in the "off" position, ball and platform are disengaged.

This mechanism occasioned trouble if the operator carelessly loaded a wheel onto the balancer while the latter was in the "on" position. The sudden impact had a tendency to flatten the ball against the platform, impeding the free rotation of the ball and destroying the accuracy of the balance. The patented device consists of a spring and cam arrangement that automatically disengages ball and platform whenever a wheel is removed from the balancer. The effect is to prevent damage to the ball by making it impossible to leave the balancer accidentally in the "on" position.

It is conceded that the pivot point balancer was known to the prior art. We have examined the spring and cam arrangement added to the prior art balancer and we cannot escape the conclusion that it would have been obvious to one skilled in the art. The use of springs and cams to return mechanical devices to their initial positions is old. And we cannot say that more than ordinary skill and ingenuity are shown by the mere fact that the patented device employed the weight of the wheel being balanced to prevent an untimely return to the "off" position, rather than the pressure of the operator's foot (as did the prior art Holl patent No. 2,592,804). When hoary devices like springs and cams are in-

volved, it will be a rare case indeed when mere artful placement of them will be non-obvious. The improvement, we think, "is the work of the skilful mechanic, not that of the inventor." *Hotchkiss v. Greenwood,* 52 U.S. (11 How.) 248, 267 (1851).

We affirm the District Court's conclusion that the patents were invalid.

II.

As to the trademarks, the question is whether the court below erred in finding that they were not merely descriptive of the articles involved.

The law is that a word which is in its primary meaning merely descriptive of the goods to which it is applied may not be appropriated as the exclusive trademark of a single seller, since one competitor will not be permitted to impoverish the language of commerce by preventing his fellows from fairly describing their own goods, Lanham Act § 2(e), 15 U.S.C. § 1052(e); *Delaware & H. Canal Co. v. Clark,* 80 U.S. (13 Wall.) (1871); *Rohr Aircraft Corp. v. Rubber Teck, Inc.,* 266 F.2d 613, 623 (9th Cir. 1959); *Telechron, Inc. v. Telicon Corp.,* 198 F.2d 903 (3d Cir. 1952).

If, however, a mark which is merely descriptive in its primary meaning acquires over time a secondary and distinctive meaning which serves to identify the goods of a single merchant, then the law will afford protection against unfair appropriation of the benefits resulting from the mark's secondary meaning. Lanham Act § 2-(f), 15 U.S.C. § 1052(f); *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.,* 305 U.S. 315 (1938); *Safeway Stores v. Safeway Properties,* 307 F.2d 495 (2d Cir. 1962); *Wilhartz v. Turco Products,* 164 F. 2d 731 (7th Cir. 1947).

Applying these principles to the instant case, we have no difficulty concluding that the mark "Micro," as applied to wheel weights, is merely descriptive. Both in its advertising and in its brief here, plaintiff contends that its system allowed wheels to be balanced with weights of the smallest possible size. "Micro" appears in dictionaries and in common usage as a combining form meaning extremely small, or tiny. Plaintiff's mark, therefore, is exactly analogous to other marks relating to the size of goods which have been held merely descriptive. *George Ziegler Co. v. Tom Huston Peanut Co.*, 181 F.2d 237 (C.C.P.A. 1950); *Little Tavern Shops v. Davis*, 116 F.2d 903 (4th Cir. 1941); *Keller v. Chicago Pneumatic Tool Co.*, 298 F. 52 (7th Cir. 1923).

Equally descriptive is the mark "Micro-Precision," as applied to wheel balancers and weights. Certainly the element "Precision," as applied to a balancer or balancing weight, conveys merely that the system of balancing is accurate and precise; the term is descriptive, and it has been so held. *Precision Apparatus Co. v. Precision Meter Co.*, 6 Misc.2d 817, 165 N.Y.S.2d 853 (1956).

The addition of the element "Micro" only strengthens the meaning, and denotes that the system is more than ordinarily accurate and precise. It is true that "micro" in this sense appears in no dictionary, and were we grammarians we should perhaps flinch at its use. Be that as it may, we are required to consider standards of meaning not our own, but prevalent among prospective purchasers of the article. *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 699 (2d Cir. 1961). And, however barbarous the use, we

have no doubt that in the jargon of the trade "micro" functions as little more than an inexact intensified for "precision."

We think, therefore, that the District Court erred in holding the plaintiff's trademarks non-descriptive. Since no showing as to secondary meaning has been made, the judgment as to the validity of the trademarks must be reversed.

Affirmed in part, reversed in part.

Order of the Court of Appeals Denying Petition for Rehearing.

In the United States Court of Appeals for the Ninth Circuit.

The Bada Company, a California corporation, Plaintiff-Appellant, Cross-Appellee, v. Montgomery Ward & Co., Incorporated, an Illinois corporation, Defendant-Appellee, Cross-Appellant. No. 23,436.

The Bada Company, a California corporation, Plaintiff-Appellant, Cross-Appellee, v. FMC Corporation, A Delaware corporation; Weaver Manufacturing Co., A Division of Dura Corporation, a Michigan corporation, Big Four Industries, Incorporated, an Ohio corporation, Defendants-Appellees, Cross-Appellants. No. 23,433.

ORDER

Before: DUNIWAY, HUFSTEDLER and WRIGHT, Circuit Judges.

The petition for rehearing is denied.

DATED: June 2, 1970.

Eugene A. Wright
Circuit Judge

Order of the Court of Appeals Staying Its Mandate Until September 2, 1970.

In the United States Court of Appeals for the Ninth Circuit.

The Bada Company, Plaintiff-Appellant vs. FMC Corporation, Defendant-Appellee No. 23433.

The Bada Company, Plaintiff-Appellant vs. Montgomery Ward & Company, Inc. Defendant-Appellee No. 23436.

ORDER STAYING ISSUANCE OF MANDATE

Upon application of C. RUSSELL HALE counsel for the Appellant, and good cause appearing, IT IS ORDERED that the issuance, under Rule 41(a) of the Federal Rules of Appellate Procedure, of the certified copy of the judgment of this Court in the above cause be and hereby is stayed pending the filing, consideration and disposition by the Supreme Court of the United States of a petition for writ of certiorari to be made by the Appellant herein, provided such petition is filed in the Clerk's Office of the Supreme Court of the United States on or before September 2, 1970.

In the event the petition for writ of certiorari is granted, then this stay is to continue pending the final disposition of the case by the Supreme Court of the United States.

Eugene A. Wright
United States Circuit Judge.

DATED: SAN FRANCISCO, CALIF. JULY 30, 1970.

Judgment of the District Court.

Entered June 28, 1968

In the United States District Court, Central District of California.

The Bada Company, a California corporation, Plaintiff, v. Montgomery Ward & Co., Incorporated, an Illinois corporation, Defendant. *Civil Action No. 62-1517-WPG.*

The Bada Company, a California corporation, Plaintiff, v. FMC Corporation, a Delaware corporation, et al., Defendants. Civil Action No. 62-1525-WPG.

JUDGMENT

This action came on regularly for trial by the Court without a jury, Honorable William P. Gray, District Judge, presiding. In accordance with the Court's Findings of Fact and Conclusions of Law, it is ORDERED, ADJUDGED AND DECREED:

1. That Claims 1, 5 and 8 of United States Letters Patent No. 3,055,221 and Claims 1 and 2 of United States Letters Patent No. 3,002,388 are invalid.

2. That the claims of plaintiff directed to the infringement of United States Letters Patent Nos. 3,055,221 and 3,002,388 by each of the defendants herein are dismissed.

3. That plaintiff's trademarks MICRO-PRECISION and MICRO as applied to wheel balancers and weights and the registrations therefor Nos. 615,732; 686,839; 674,516; 686,840; and 689,867 are good and valid in law.

4. That defendants Wards, Big Four and FMC have infringed plaintiff's trademarks MICRO-PRECISION and MICRO.

5. That defendant Wards, its employees, privies, successors and assigns and any and all persons acting by or under authority from Wards are hereby permanently enjoined and restrained from using the trademark MICRO-PRECISION or any colorable imitation thereof in connection with the sale or offering for sale of wheel weights or related products or services except in its specific stores where Wards is still utilizing one of plaintiff's balancers or selling plaintiff's wheel weights, and such persons are also permanently enjoined from advertising in any manner that they are using MICRO-PRECISION wheel weights when not using such weights, irrespective of whatever balancer may be used.

6. That defendants FMC and Big Four and each of them jointly and severally and their employees, privies, successors and assigns and any and all persons acting by or under authority from said defendants are hereby permanently enjoined and restrained from using the trademark MICRO BALANCE or any other colorable imitation of plaintiff's trademarks MICRO-PRECISION and MICRO in connection with the sale or offering for sale of any wheel balancers and wheel weights or any similar or related products.

7. That plaintiff have judgment against defendant FMC in the sum of $3,325.00 and against defendant Big Four in the sum of $3,325. for infringement of its trademarks MICRO-PRECISION and MICRO.

8. That plaintiff have judgment against defendant Wards in the sum of $5,700.00 for infringement of its trademarks MICRO-PRECISION and MICRO.

9. That the counterclaims by defendants Wards and FMC are dismissed.

10. That each of the parties hereto shall bear its own costs herein.

11. That none of the parties hereto is entitled to recover attorneys' fees herein.

DATED this 28th day of June, 1968.

/s/ William P. Gray

United States District Judge.

Findings of Fact and Conclusions of Law of the District Court.

Entered June 28, 1968

In the United States District Court, Central District of California.

The Bada Company, a California corporation, Plaintiff, v. Montgomery Ward & Co., Incorporated, an Illinois corporation, Defendant. Civil Action No. 62-1517-WPG.

The Bada Company, a California corporation, Plaintiff, v. FMC Corporation, a Delaware corporation, et al., Defendants. Civil Action No. 62-1525-WPG.

FINDINGS OF FACT AND CONCLUSIONS OF LAW.

This cause coming on for Hearing the 24th day of June 1968 on DEFENDANTS' MOTION TO RE-OPEN THIS MATTER FOR FURTHER HEARING FILED THIS 24TH DAY OF MAY, 1968 and PLAINTIFF'S MOTION TO FINALIZE THE FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT IN THE ABOVE ACTIONS, the parties having filed their respective Memoranda and having made their oral presentations in open court and the Court being fully advised based upon the records, pleadings and evidence before the Court, hereby makes its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

Jurisdiction and Parties

1. Plaintiff, The Bada Company, (hereinafter sometimes referred to as "Bada") is a corporation organized and existing under the laws of the State of California and has its principal place of business in Pasadena, California.

2. Defendant, Montgomery Ward & Co., Incorporated, (hereinafter sometimes referred to as "Wards") is a corporation organized and existing under the laws of the State of Illinois and having a regular and established place of business in Alhambra, California.

3. Defendant, FMC Corporation, (hereinafter sometimes referred to as "FMC") is a corporation organized and existing under the laws of the State of Delaware and has a regular and established place of business in South Pasadena, California.

4. Defendant, Dura Corporation, (hereinafter sometimes referred to as "Dura") is a corporation organized and existing under the laws of the State of Michigan and has a regular and established place of business in Los Angeles, California.

5. Defendant, Big Four Industries, Inc., (hereinafter sometimes referred to as "Big Four") is a corporation organized and existing under the laws of the State of California and has a regular and established place of business in Los Angeles, California.

6. The plaintiff Bada and defendant FMC are engaged in the manufacture and sale of wheel balancers and weights for use in balancing automobile and truck wheels. Defendants Dura and Big Four sell wheel balancers and wheel weights manufactured by FMC. Defendant Wards utilizes FMC wheel balancers and sells wheel weights in connection with balancing automobile and truck wheels for the public.

7. Two separate actions filed by plaintiff against Wards and against FMC, Big Four and Dura were consolidated for trial on one record pursuant to the Order of this Court dated on or about April 13, 1964.

8. In the actions the plaintiff alleges infringement of two of the plaintiff's patents, one relating to a wheel balancer and the other relating to a method of balancing wheels. The actions also involve an allegation of infringement of the plaintiff's registered trademarks MICRO and MICRO-PRECISION by Wards, Big Four and FMC. The defendants Wards and FMC counterclaimed for a violation of the anti-trust laws relating to the plaintiff's alleged misuse of its patents and trademarks.

9. This Court has original jurisdiction of these actions pursuant to the provisions of 28 U.S.C. §1338 as to the patent and trademark claims and pursuant to the provisions of 28 U.S.C. §1337 and 15 U.S.C. §4 for the anti-trust claims.

Infringement of Patent No. 3,055,221

9-A. United States Letters Patent No. 3,055,221 (hereinafter referred to as Patent '221) issued on September 25, 1962 to Fred J. Bageman as joint inventor and also as full owner of the patent by assignment of the interest of the joint inventor Charles Francis.

10. The plaintiff acquired title to this patent from Fred J. Bageman, together with all right of action for past infringement, at the latest by January 4, 1963 by written recorded assignment executed by Fred J. Bageman as assignor.

11. The plaintiff in the Pre-Trial Order and in the Amended Complaints filed by Order of this Court on May 24, 1966 charges all defendants with infringement of Claims 1, 5 and 8 of this patent.

12. The apparatus disclosed in Patent '221 is a static wheel balancer of a type having a pivot on which

the wheel being balanced is centered and supported in a substantially horizontal position by a wheel support member. The wheel support member and wheel are free to tilt from the horizontal in any direction because of any weight unbalance of the wheel relative to its center. A bubble indicator is carried by the pivot and tilts with the wheel, the indicator showing any deviation of the wheel from the horizontal. The pivot point rests on a pedestal that can be raised and lowered by a control handle. When the pedestal is lowered the pivot and wheel are lowered so that the wheel weight rests on the frame of the balancer and the pivot is physically separated from the pedestal. When the pedestal is raised the wheel is lifted so that the full weight of the wheel is carried by the pivot and the wheel is free to tilt about the pivot. The pedestal is raised and lowered by a cam operated by the control handle, the handle being moved from an "off" position to an "on" position to rotate the cam and raise the pedestal.

13. The invention of Patent '221 in issue involves a wheel balancer in which biasing means such as a spring acts on the control handle and is arranged to move the handle to the "off" position when the weight of a wheel is removed from the balancer. With the weight of a wheel present and the control handle in the "on" position the action of the spring is resisted by friction produced by the weight of the wheel acting through the pivot and pedestal against the cam surface. When the wheel is removed from the balancer the friction resisting the spring is reduced and the action of the spring moves the control handle, permitting the pedestal to be lowered and the pivot to be disengaged. This action provides automatic protection for the pivot,

since in replacing a wheel on the balancer, the weight of the wheel is always accepted by the frame instead of the pivot.

14. The accused devices are two models of static wheel balancers manufactured by defendant FMC and sold by defendants FMC, Dura and Big Four. The two models were purchased and used by defendant Wards. The defendants have manufactured, sold and/or used the accused devices since the issuance of Patent '221.

15. The first model of the accused devices, Exhibit 32, developed and sold by FMC is a static balancer in which a vertically movable pedestal is raised by a control handle secured to the lower end of the pedestal. The control handle rests on an inclined cam surface formed as part of the frame. Movement of the handle along the inclined surface raises and lowers the handle, thereby raising and lowering the pedestal. When raised, the pedestal engages a pivot, lifting the pivot and, through the pivot, raising the wheel support member centered on the pivot to transfer the weight of the wheel from the frame onto the pivot. A spring connected between the frame and the control handle urges the control handle in a direction to lower the pedestal. With the weight of a wheel present on the balancer the friction between the handle and inclined surface resists any movement of the handle by the spring, but when the weight of the wheel is removed the spring moves the handle and pedestal to a lowered position, disengaging the pivot.

16. The second model of the accused devices, Exhibit 35, is the same as the first model except that a second compression spring has been added between the

lower end of the pedestal and the frame. The second spring urges the pedestal upwardly with two pounds spring pressure into contact with the pivot, but does not have sufficient force to lift the pivot and wheel support member with or without a wheel present.

17. The second spring provides no significant function. It was added to the first model device after defendant became aware of the plaintiff's Patent '221 in an attempt to avoid the appearance of a separation between the pedestal and the pivot. The pedestal of the second model is still lowered in going to the "off" position, permitting the wheel support member to rest on the frame and thereby obtaining functional separation of the pivot from the load of a wheel.

18. The pivot in both models of the accused devices is detachably connected to the member on which the wheel is supported.

19. The first and second model of the accused FMC wheel balancers include each of the elements called for in Claims 1, 5 and 8 of Patent '221 or an equivalent thereof and each of the pertinent elements in the FMC balancers functions in the same way or performs the same work in the same way to produce the same result as do the corresponding elements of the patented wheel balancer.

Validity of Patent No. 3,055,221

20. At the time the inventors of Patent '221 conceived of the spring arrangement for automatically returning the control handle of the balancer to the "off" position when a wheel was removed from the balancer there was a need for this feature to protect the pivot. Balancers then in use required the operator to return the balancer to the "off" condition after balanc-

ing a wheel or to have the device unlatched to permit it to so return. If the operator neglected to do so the pivot could be damaged when placing another wheel onto the balancer.

21. No prior art static wheel balancer is shown by the record in which the pivot remains functionally engaged in load supporting condition with the weight of a wheel present, but which returns automatically to a functionally disengaged condition in response to the removal of the weight from the pivot. The record does, however, indicate that the automatic off concept in balancing or weighing operations was not new with the inventors of the '221 patent.

22. Plaintiff's own M-20 balancer, Exhibit 39, is exemplary of prior art static wheel balancers in which a control handle engages and disengages the pivot. In the M-20 balancer the pedestal is rigidly and immoyably attached to the frame. The pivot is lowered by moving the control handle downwardly along an inclined cam surface onto the top of the pedestal to place the pivot in balancing condition. No spring is provided to move the pivot to a disengaged condition when a wheel is removed from the balancer. The M-20 balancer is illustrated and described in United States Letters Patent No. 2,909,063—Bageman. This prior art Bageman patent was cited by the Patent Office during the prosecution of Patent '221.

23. The most pertinent prior art patent is Patent No. 2,592,804—Holl, cited by the Patent Office during prosecution of Patent '221. The Holl patent discloses a static wheel balancer having a foot-operated control lever. When pressed down this lever lifts a pedestal to engage a pivot, lifting the pivot and wheel into balanc-

ing position. A spring normally urges the pedestal down to disengage the pivot, but the lever can be locked in a notch to hold the pivot in operative position. There is no lifting cam or other arrangement for automatically releasing the lever when the weight of a wheel is removed from the balancer. However, if the lever has not been locked in the notch, or removal of the pressure of the operator's foot from the pedal the device will automatically disengage the pivot under action of the spring.

24. It was known in the prior art to disengage pivots in weighing scales to avoid shock damage to the pivots. Patent No. 2,002,411—Moxley, shows a hydraulically-operated mechanism for moving the pivots out of engagement when no load is on the weighing scale.

25. The advance taught by plaintiff's Patent '221 over the prior art M-20 balancer required only the addition of a spring and appropriate changes in the cam. It would be obvious to one skilled in the balancer art to use a spring in the same way as a spring is used to close a screen door, to move the handle of a prior art balancer, such as the M-20 balancer, in response to removal of weight from the balancer. The use of such a spring for an automatic "on-off" is done in the Holl patent.

Infringement of Patent No. 3,002,388

26. United States Letters Patent No. 3,002,388 (hereinafter referred to as Patent '388) issued on October 3, 1961. The plaintiff has been the owner of Patent '388 since its issuance. Patent '388 describes and claims a method for balancing wheels on a static

balancer. The method includes the steps of first positioning the wheel in a horizontal position on the balancer as defined in Claim 2 which accurately indicates any deviation of the plane of the wheel from the horizontal; placing successively heavier sets of four equal rim weights on rims adjacent the light spot, as shown by the balance indicator, until the lightest set of four weights which slightly overbalances the wheel are found. The weights are then moved in pairs circumferentially from each other and symmetrically about the light spot until balance is achieved. Then one weight from each pair is transposed to the corresponding circumferential position on the opposite side of the wheel and all four weights are then secured to the wheel rim. The method defined by Claim 1 of Patent '388 makes no mention of "more than one set of four equal weights or of successively placing heavier sets on the rim".

27. The plaintiff sells a set of three wheel weights called the ABC weights for use in the patented method. The plaintiff also encloses instructions teaching the patented method with each carton containing a balancer and an assortment of ABC weights.

28. The defendants FMC, Dura and Big Four sell sets of three sizes of weights designated AS1, AS2 and AS3 with their balancers or separately. The AS1, AS2 and AS3 weights corespond in weight value to the plaintiff's ABC weights. Each of the defendants FMC, Dura and Big Four have supplied instructions with their balancers since the issuance of Patent '388 which teach each and every step of the method covered by the claims of Patent '388.

28-A. The sets of wheel weights mentioned in Paragraphs 27 and 28 hereof are useful whether or not the method of their employment follows the '388 process.

29. The defendants FMC and Dura have followed the method covered by Patent '388 in balancing wheels for their customers and potential customers to sell their balancers and the set of three wheel weights. The defendants FMC, Dura and Big Four have actively sought to induce their customers to practice the method of the '388 patent by distributing instructions and otherwise teaching the use of the method in selling their balancers and weights.

30. The defendant Wards posted the FMC instructions teaching the patented method received with FMC balancers as well as posting the instructions of plaintiff teaching such method in their stores after they ceased buying wheel weights from Bada and since October 3, 1961.

31. Wards, through its employees, has in some instances used the method exactly as described in the FMC instructions as well as in plaintiff's instructions after they ceased using plaintiff's wheel weights and since October 3, 1961.

32. Wards, through its employees, has balanced wheels for the public using the method known as the Test Wate method and described in Exhibit 40 after they ceased using wheel weights of plaintiff and after October 3, 1961.

33. The Test Wate method is identical to plaintiff's method, except that two test weights are placed on the rim adjacent the light spot rather than four

weights. After balance is achieved with the two test weights they are each replaced by two weights, each having one-half the weight of the test weight, permitting the weights to be attached to opposite sides of the rim.

34. The use of two test weights is equivalent to the use of two pairs of wheel weights where each test weight is twice the weight value of one of the wheel weights. It makes no difference as far as practicing the method covered by plaintiff's Patent '388 whether test weights or wheel weights are employed if the same method steps are followed, such as set forth in the Test Wate instruction of Exhibit 40.

34-A. In practice, operators tend to take short cuts when using either plaintiff's or defendants' weights, as experience teaches them to recognize and select initially the correct weight size and place the weights in pairs on the rims at points of approximate final balance, after which any movement of the weights about the rim may be as well towards as away from the light point.

Validity of Patent No. 3,002,388.

35. Shifting of weight along a pivoted beam to achieve balance is old, as in a child's teeter-totter or in a beam-type weighing scale.

36. Starting at the light point to make maximum use of the weight available in counterbalancing a pivoted structure was a known concept prior to development of the patented method.

37. Dividing the balancing weight, when determined, between the two sides of a wheel rim is old in the art of wheel balancing.

38. The method covered by Patent '388 only involves combining the steps of starting with weights adjacent the light point, moving the weights apart to achieve balance and dividing the weights and putting half of the weights on the opposite side of the rim.

39. The combining of these steps, each of which is old, does not amount to invention, but is a matter of giving simple instructions to do a simple thing in a simple manner.

40. The prior art patents cited by the Patent Office disclose each of the steps of plaintiff's method patent to be old. Patent 2,052,295 - Hume; Patent 2,136,633 - Morse; and British Patent 731,459 - Booth disclose a method of wheel balancing wherein a pair of weights is applied at the light spot and is moved apart by "fanning" to achieve balance. Patent No. 2,592,804 - Holl has the concept of dividing the weight necessary to establish balance and attaching the two weights to opposite sides of the rim, as does Patent No. 2,700,892 - Lowe.

41. None of the prior art patents individually discloses the combination of all the steps in plaintiff's method.

42. The witness Vernon Dapper instituted a wheel balancing method prior to the time Mr. Bageman devised the method of Patent '388.

43. The Dapper method required placing of two pairs of weights 120° apart symmetrically on either side of the light spot, changing the size of the weights to achieve balance and transposing one weight of each pair to the opposite side of the rim. With the nine sizes of weights available to users of the Dapper meth-

od, some adjustment of weight position relative to the 120° points along the rim was necessary to achieve fine balance.

44. The manufacturer of the Challenger wheel balancer issued instructions on its use at a time to constitute prior art to the Patent '388. These instructions, issued as Exhibit B, state that if more than a three ounce weight at the light spot is necessary to achieve balance, two weights are placed at the light spot and moved apart along the rim to achieve balance and the weights are then divided equally and attached to opposite sides of the rim.

45. The instructions on balancing wheels put out by Moweco, Exhibit L, are part of the prior art and describe a method of balancing wheels in which two pairs of weights are affixed at 120° spacing along the circumference of the rim symmetrically about the light spot, with the weights of each pair being divided between opposite edges of the rim. The instructions do not provide that the weights be moved from the 120° points to adjust the balance.

46. The instructions on balancing wheels put out by Speedmaster, Exhibits K and O, are part of the prior art and show the use of two weights which are moved along the rim on the "high side". The weights are shifted to achieve balance. Then each weight is replaced by two weights of half the value which are attached to opposite sides of the rim. These instructions do not state how to select the particular sizes to achieve balance.

47. The specific method defined by the claims in Patent '388 was not in use by plaintiff or the inventor Bageman more than a year before Patent '388 was filed on March 4, 1957.

48. The method defined by the claims of Patent '388 would have been obvious to an ordinary skilled artisan in view of the prior art at the time the alleged invention was made.

49. There was no fraud on the Patent Office by Mr. Bageman in failing to specifically mention the Dapper method as prior art. The Dapper method did not include any concept not considered by the Patent Office. Mr. Bageman properly concluded that this method differed from the Dapper method.

Trademarks

50. Plaintiff is the owner of the following trademarks which were duly registered on the Principal Register of the United States Patent Office: MICRO-PRECISION and design, for machines for testing and balancing vehicle wheels, Registration No. 615,732, registered November 8, 1955; MICRO-PRECISION for use with vehicle wheel weights, Registration No. 686,839, registered October 20, 1959; MICRO-PRECISION and design, for vehicle wheel balancing weights, Registration No. 674,516, registered February 24, 1959; MICRO for vehicle wheel weights, Registration No. 686,840, registered October 20, 1959; MICRO-PRECISION for wheel balancers, Registration No. 689,867, registered December 15, 1959.

51. Plaintiff has continuously applied the mark MICRO-PRECISION to wheel balancers and to boxes containing wheel weights since its incorporation in 1957. The mark MICRO-PRECISION was applied to wheel balancers and to boxes containing wheel weights by plaintiff's predecessors prior to 1957. Plaintiff has continuously applied the mark MICRO to vehicle wheel weights since its incorporation.

52. The plaintiff permits its customers of wheel weights and balancers to display the mark MICRO-PRECISION in connection with the customers' retail automotive sales and service operations. In some instances the mark MICRO-PRECISION is used in conjunction with one or more trademarks of plaintiff's customers. Plaintiff's sales of its wheel balancers and weights under the aforesaid MICRO-PRECISION and MICRO trademarks have totaled many millions of dollars throughout the United States.

53. The defendant Wards purchased its wheel weights and balancers from Bada for use and distribution in all of its stores with automotive service stations throughout the United States from mid-1957 until May of 1961. The Bada balancers carried the mark WARDS along with the plaintiff's trademark MICRO-PRECISION.

54. The wheel weights purchased by Wards from plaintiff were imprinted with the mark WARDS and shipped in cartons bearing plaintiff's trademark MICRO-PRECISION. During the period of time that Wards was purchasing its requirement of wheel weights and balancers from plaintiff, plaintiff furnished Wards with 490 large metal signs advertising WARDS RIVERSIDE MICRO-PRECISION WHEEL BALANCING. On these metal signs the letters of the WARDS WHEEL BALANCING were several times larger than those used in the other words. During this same period of time Wards had large banners printed entitled "Wheels Balanced the Micro-Precision Way" without objections by plaintiff. The large signs and banners were displayed to the public by defendant Wards to promote the sale of the balancing of tires for the public.

55. Defendant Wards was at all times relevant to this controversy placed on notice that MICRO-PRECISION was a trademark of the plaintiff.

56. Wards ceased buying balancers and weights from the plaintiff in April and May, respectively, of 1961. Wards commenced buying FMC wheel balancers from the Defendant Dura and wheel weights from Plumbium Manufacturing Company in April of 1961. In September of 1962 Wards had 335 FMC wheel balancers in its auto service stations.

57. Wards did not remove the large signs and banners bearing the trademark MICRO-PRECISION from its auto service centers after it ceased selling the plaintiff's wheel weights and commenced selling Plumbium wheel weights and utilizing FMC wheel balancers. Wards made no effort to remove such signs and banners until September of 1962, at which time the Wards store managers were first notified that the signs and banners were to be removed or repainted. A second notice was also sent to the stores with tear sheets to be returned indicating whether or not the stores had removed the MICRO-PRECISION signs and banners. Quite a few of the tear sheets were returned without an indication that the signs and banners were in fact removed. The defendant Wards never followed up to determine if the signs and banners were in fact removed or repainted, except to write a letter to the four regional managers from whom no report back was received.

58. Wards did not exert reasonable efforts to insure that the signs and banners bearing the mark MICRO-PRECISION were removed in the stores which were selling Plumbium weights and utilizing only FMC balancers.

59. Defendant Wards had the right to display the mark MICRO-PRECISION in connection with its sales of wheel weights to the public only in those stores in which it had one of plaintiff's wheel balancers and was utilizing it to balance wheels for the public or in which it was selling plaintiff's wheel weights.

60. Defendant Wards did not, in the continued display of banners and signs bearing the trademark MICRO-PRECISION, intentionally try to trade upon the plaintiff's trademarks and/or intentionally try to cause confusion in the trade and customers of Wards were not misled into feeling that their wheels were being balanced in any particular way or by any particular method. [R. 11]

61. That defendant Wards offer proof of an attempt to discontinue use of the signs and banners bearing the trademark MICRO-PRECISION and other use of the trademark MICRO after September 1962, but with respect to approximately 38 of such stores Wards did not establish that they had done this effectively. Plaintiff is entitled to damages in the nominal sum of $150.00 per store against Wards as a result of such infringement and although the number of stores may be more or less than 38, there were 38 of such stores brought into question by the tear sheets comparable to Exhibit U based whereon the Court finds that the plaintiff is entitled to damages on this phase of the case against Wards in the sum of $5,700.00 or $150.00 times 38. Plaintiff is not entitled to damages based upon the amount of money made by Wards by the balancing of wheels from the time they stopped using plaintiff's wheel weights or balancers. Such profits in no wise stemmed from the fact that defendant Wards was ad-

vertising a particular kind of wheel weight or balancer which they were perhaps no longer using. [R. 18]

62. That in view of the facts found in Finding 61, supra, the Court finds that this is not a case for the awarding of an accounting of profits against defendant Wards for trademark infringement. [R. 9]

63. Defendant FMC and Big Four, knowing of plaintiff's trademark MICRO as applied to wheel weights and MICRO-PRECISION as applied to wheel balancers, adopted and used the mark MICRO BALANCE on wheel balancers manufactured by FMC and distributed by Big Four in 1961 and 1962, and 665 of such wheel balancers were either sold or used by salesmen as demonstrators, and, with respect to such balancers, plaintiff is entitled to an award of damages at the rate of $10.00 per wheel balancer and in the total sum of $6,665.00 judgment of such award of damages to be against defendant FMC with respect to one-half of such award and defendant Big Four with respect to the remaining one-half.

64. The plaintiff's trademarks MICRO and MICRO-PRECISION are not merely descriptive of the goods to which they are applied, but are good and valid trademarks.

65. The plaintiff has not abandoned its trademarks MICRO and MICRO-PRECISION by permitting the marks to be used by its customers without any control over the services rendered by its customers in selling the wheel weights or using the plaintiff's balancers.

Misuse and Anti-Trust

66. It was plaintiff's general practice to sell its ABC wheel weights packed in cardboard boxes which contained the following license notice:

"These weights are especially adapted for use in the balancing procedure covered by U. S. Patent No. 3,002,388. A royalty is included in the price of the weights for the right to use the patented procedure with these weights. A license to use the patented procedure with weights purchased from any source may be obtained from THE BADA CO. at the same royalty rate per weight."

67. The plaintiff sells its ABC wheel weights at prices which include the royalty for the use of the method covered by United States Letters Patent No. 3,002,388. Plaintiff sells other sized weights, not designated ABC, without the royalty included in the price to purchasers who do not want a license under Patent '388. Neither the license notice set forth in Finding 66 above, nor the invoices submitted by plaintiffs to its customers designated how much of the purchase price was allocable to the royalty.

68. The plaintiff distributed an application for a license to use the process covered by Patent '388 to many of its customers and stood ready to send such application to anyone desiring a license to use the method of said patent independently of the purchase of wheel weights. The application for a license designates precisely how much of the purchase price of plaintiff's ABC wheel weights is allocable to the license and how much is allocable to the purchase of the weights for each purchaser of the plaintiff's ABC wheel weights.

69. The application for a license distributed by the plaintiff provides that the royalty rate to anyone desiring to use the patented method shall be exactly the same whether such licensee purchases the ABC wheel weights from Bada or purchases weights from another

source. The royalty rate paid is fixed at so many cents per each wheel that is balanced utilizing the patented method, with the particular royalty rate for any customer or licensee depending upon the normal trade discount that such customer is entitled to receive. The normal trade discount follows the same functional discount structure that applies to the purchase of the plaintiff's ABC wheel weights, including the royalty rate in such purchase price. No customer of plaintiff has ever applied for, nor has anyone been granted a license pursuant to the application.

70. The license notice set forth in Finding No. 66 above was first used on boxes or cartons containing all three sizes of the ABC weights. At a later date the license notice was imprinted on boxes which contained weights of only one size. While it is possible that the combination of the ABC wheel weights may be especially adapted for use in the balancing procedure covered by United States Letters Patent No. 3,002,388, the weights of any single size are not. There was no deceptive intention on the part of the plaintiff in imprinting the license notice on boxes which contained only one size of the ABC weights.

71. It is quite likely that because of plaintiff's method of marketing some people who desired to use the process covered by Patent '388 chose to buy the plaintiff's weights rather than go to the trouble of finding out whether they could save money by obtaining from plaintiff only the license, but purchasing their weights elsewhere. The discouragement to potential licensees of the patented method from looking elsewhere for their wheel weights would have been only as strong as the inertia that might exist in the mind of the pur-

chaser against bestirring himself to inquire what a license would cost, since the license was available at the same royalty rate independently of the source of the weights.

72. In adopting and maintaining its marketing practices, it was not the purpose of the plaintiff to employ its Patent '388 to secure a limited monopoly to itself of an unpatented article used in applying the invention.

73. There is no evidence that plaintiff enlarged the scope of its monopoly afforded by Patent '388 or utilized said patent to restrain competition in any goods.

74. The plaintiff adopted and maintained its marketing practices in good faith, believing that under the circumstances sufficient notice was provided of the availability of a license without the need to purchase the plaintiff's wheel weights and the plaintiff in good faith believed that by the use of such practices it was not improperly insisting or encouraging that each license by accompanied by the purchase of plaintiff's weights.

75. The plaintiff's marketing practices with respect to the inclusion of a license with a prepaid royalty in the price of the ABC wheel weights and the offer of a license to any non-user of the plaintiff's weights at the same royalty rate does not render Patent '388 unenforceable or involve patent misuse.

76. The plaintiff has not committed any acts or used any of its patents or trademarks in violation of the anti-trust laws including 15 U.S.C. §§ 1, 2 and 14. The defendants further failed to prove any actual damage resulting from the plaintiff's alleged misuse or anti-trust violation.

CONCLUSIONS OF LAW

I

This Court has jurisdiction over the subject matter and of the parties.

II

Plaintiff is the owner of all right, title and interest in United States Letters Patent Nos. 3,055,221 and 3,002,388.

III

Claims 1, 5 and 8 of Patent No. 3,055,221 are invalid for lack of invention under 35 U.S.C. §103.

IV

Claims 1, 5 and 8 of Patent No. 3,055,221, if valid, are infringed by each of the defendants by the manufacture, sale and or use of both the first and second models of the accused devices.

V

Claims 1 and 2 of Patent No. 3,002,388 are invalid for lack of invention under 35 U.S.C. §103.

VI

Claims 1 and 2 of Patent No. 3,002,388, if valid, have been infringed by each of the defendants. Defendants FMC, Dura and Big Four have also actively induced infringement of said claims if valid.

VII

Plaintiff's trademarks MICRO-PRECISION as applied to wheel balancers and weights and MICRO as applied to weights and its United States Trademark Registrations Nos. 615,732; 686,839; 674,516; 686,840; and 689,867 are valid.

VIII

Defendant Wards' use of the trademark MICRO-PRECISION in each of its stores which balanced wheels

and did not utilize one of plaintiff's balancers or sell plaintiff's weights, infringed plaintiff's trademark MICRO-PRECISION.

IX

The use of the trademark MICRO BALANCE on wheel balancers by defendants Big Four and FMC infringed plaintiff's trademarks MICRO-PRECISION and MICRO.

X

Plaintiff is entitled to an Order permanently enjoining defendant Wards, its employees, privies, successors and assigns and any and all persons acting by or under authority from Wards from using the trademark MICRO-PRECISION or any colorable imitation thereof in connection with the sale or offering for sale of wheel weights or related products or services except in its specific stores where Wards is still utilizing one of plaintiff's balancers or selling plaintiff's wheel weights, and such persons are also permanently enjoined from advertising in any manner that they are using MICRO-PRECISION wheel weights when not using such weights, irrespective of whatever balancer may be used.

XI

Plaintiff is entitled to an Order permanently enjoining defendants FMC and Big Four, jointly, severally and their agents, employees, privies, successors and assigns and any and all persons acting by or under authority from said defendants from using the trademark MICRO BALANCE or any other colorable imitation of plaintiff's trademarks MICRO-PRECISION or MICRO in connection with the sale or offering for sale of any wheel balancers or wheel weights or any similar or related products.

XII

Plaintiff is entitled to damages resulting from the infringement of plaintiff's trademarks MICRO-PRECISION and MICRO by the defendant Wards based on the number of stores which the Court finds defendant Wards has not proved removed the MICRO-PRECISION and MICRO signs after notification to do so by the plaintiff and while the number of such stores is not certain, the Court finds that approximately 38 are in question and that $150.00 per store is a reasonable fee to be assessed as damages. Accordingly, the Court finds that the plaintiff is entitled to the sum of $5,700.00 damages against defendant Wards for infringement of its trademarks MICRO-PRECISION and MICRO, as provided in 15 U.S.C. §1117 and that there is no occasion for the award of profits or the ordering of an accounting.

XIII

Plaintiff is entitled to an award of damages resulting from the infringement of the plaintiff's trademarks MICRO-PRECISION and MICRO by the defendants FMC and Big Four in the sum of $6,650.00. Defendants FMC and Big Four having advised the plaintiff of their agreement to divide responsibility for such infringements, plaintiff's judgments shall be in the sum of $3,325.00 against FMC and $3,325.00 against Big Four.

XIV

Plaintiff did not misuse Patent No. 3,002,388 by selling ABC wheel weights for use in practicing the patented method with the royalty rate included in the purchase price and offering a license under the patent at the same royalty rate if the licensee wished to purchase the wheel weights from another source. *Dehy-*

drators Limited v. Petrolite Corporation, 117 F.2d 183 (9th Cir. 1941); *Mercoid Corp. v. Mid-Continent Co.*, 320 U.S. 661 (1944).

XV

Plaintiff did not misuse Patent No. 3,002,388 by the following license notice first affixed to cartons containing an assortment of its ABC wheel weights and later to cartons containing only a single size of its wheel weights:

> "These weights are especially adapted for use in the balancing procedure covered by U. S. Patent No. 3,002,388. A royalty is included in the price of the weights for the right to use the patented procedure with these weights. A license to use the patented procedure with weights purchased from any source may be obtained from THE BADA CO. at the same royalty rate per weight."

XVI

Plaintiff did not misuse Patent No. 3,002,388 by fixing the royalty rate at so many cents per each wheel that is balanced utilizing the patented method independently of the source of the weights with the royalty rate for any customer or licensee depending upon the normal trade discount that such customer is entitled to receive in purchasing plaintiff's ABC wheel weights with the royalty rate included in such purchase price.

XVII

The plaintiff did not enlarge the scope of the monopoly afforded by the Patent No. 3,002,388 or utilize that patent to restrain competition in any goods.

XVIII

Plaintiff has not violated any of the anti-trust laws including 15 U.S.C. §§ 1, 2 and 14.

XIX

The parties herein are not entitled to attorneys' fees.

XX

Each of the parties hereto shall bear its own costs.

Dated this 28th day of June, 1968.

/s/ William P. Gray
United States District Judge

Opinion of the Board of Appeals of the United States Patent Office.

Paper No. 23

Mailed, July 19, 1961. U.S. Patent Office Board of Appeals.

Appeal No. 391-52

In the United States Patent Office, Before the Board of Appeals.

Ex parte Fred J. Bageman

Application for Patent filed March 4, 1957. Serial No. 643,761. Wheel Balancing.

Christie, Parker, Hale and Wynne for appellant.

Before Brewrink and Manian, Examiners-in-Chief, and Bronaugh, Acting Examiner-in-Chief.

Bronaugh, Acting Examiner-in-Chief.

This appeal is from the refusal of the Examiner to allow claims 13 and 14 which were substituted for finally rejected claims 1, 5 and 12. The appealed claims are the only claims remaining in the application.

Claim 13 is representative and reads as follows:

> 13. A process for balancing an automobile wheel comprising positioning the wheel horizontally on a wheel-balancing machine, measuring, with a high degree of accuracy any deviation of the plane of the wheel from the horizontal, placing a set of four equal rim weights sufficient to balance the wheel loosely on one rim of the wheel adjacent the point of maximum effectiveness, adjusting the rim weights of said set together in pairs symmetrically and oppositely about said point of maximum effectiveness until said wheel is bal-

anced so that it is in a horizontal position, and thereafter transposing one weight from each pair to approximately corresponding circumferential positions on the rim located on the opposite side of the wheel and connecting the weights to the wheel.

The references specifically relied upon by the Examiner are:

Lowe	2,700,892	Feb. 1, 1955
Booth (British)	731,459	June 8, 1955

The following references have been discussed in the brief and answer as exemplary of the development of the prior art and consequently are before us:

Hume	2,052,295	Aug. 25, 1936
Morse	2,136,633	Nov. 15, 1938
Hunter	2,341,443	Feb. 8, 1944
Merrill et al.	2,383,405	Aug. 21, 1945

The subject matter of the appealed claims relates to a method of statically balancing an automobile wheel to insure its center of weight will be approximately at its center of rotation. In carrying out the method, a wheel is tested for static unbalance by the use of conventional testing equipment and if unbalance is found to exist weights of suitable magnitude are fixed thereto to counterbalance the same. In counterbalancing the wheel four weights of suitable size are loosely placed on one side of the wheel adjacent the wheel rim and diametrically opposite the heavy spot. These weights are moved in pairs symmetrically and oppositely until the wheel is statically balanced whereupon one weight of each pair is transferred to the opposite side of the wheel and all four weights are fixed to the wheel. This

mode of counterbalancing a wheel is stated to have two important advantages over the counterbalancing methods of the prior art. The first advantage results from the symmetrical and opposite movement of the weights from the point of maximum effectiveness whereby the weights have variable effectiveness and a minimum number of weight sizes may be relied upon to effect the counterbalance. The second advantage results from the transfer of one half of the weights to the opposite side of the wheel whereby the static unbalance is counterbalanced without disturbing the dynamic balance of the wheel.

The procedural steps involved in carrying out the claimed method are considered obvious from a reading of the appealed claims in light of the application drawing.

Claims 13 and 14 stand rejected as unpatentable over the prior art as exemplified by the Booth and Lowe references.

The Booth reference discloses a method of balancing an automobile wheel by testing for static unbalance and fixing a weight or weights thereto if unbalance is found to exist. The Booth testing procedure is identical with that disclosed and recited in the first two steps of the instant claims and the correction of unbalance is attained by loosely placing a weight or weights on one side of the wheel run and moving the same until balance is attained whereupon the location of the weight or weights is marked and after the wheel is removed from the testing equipment the weights are fixed to the wheel.

The Lowe reference discloses a method of balancing an automobile wheel by testing for both static and dy-

namic unbalance and fixing a weight or weights thereto if unbalance is found to exist. Lowe discloses that a weight is applied to one side of the wheel diametrically opposite the heavy spot of the wheel or said weight may be divided and placed on opposite sides of the wheel.

The Examiner has pointed out that the recited correction of the wheel unbalance comprises two essential steps, namely, (1) symmetrically and oppositely moving suitable balance weights from the light spot of the wheel to attain static balance and (2) dividing the weights used to attain the static balance between the inner and outer wheel surfaces to preserve dynamic balance. He has taken the position the Booth reference discloses the recited testing of the wheel for unbalance and the correction of the unbalance by the aforementioned Step 1 and since it is old in the art as shown by Lowe to correct for unbalance by the aforementioned Step 2, it would be obvious to one skilled in the art to combine these steps. Since the combination of said Steps 1 and 2 would result in the application of four weights to the wheel, the Examiner has concluded it would be obvious to start the combined balancing steps with four weights. The Examiner has not been persuaded by several affidavits of record showing commercial success of the recited method and advantages thereof over methods commonly used in the industry.

We have carefully considered the appealed claims in light of the reference disclosures and are not convinced that such disclosures fairly anticipate the method recited in these claims.

In our consideration of the appealed claims, we find the recited method consists in two essential procedures

(A) the testing of the wheel for static unbalance and (B) the correction of said static unbalance without upsetting its dynamic balance.

We find in the prior art, particularly the Booth reference, that the testing procedure comprehended by the first two recited steps is conventional. We also find in Booth a disclosure of counterbalancing by loosely placing weights on a wheel and moving the same until balance is indicated by the testing equipment and fixing the weights to said wheel. While Booth does not specifically state that the weights are of equal size and are symmetrically and oppositely moved with respect to the point of maximum effectiveness, we believe such weight and movement characteristics would be obvious to one of ordinary skill in the art, particularly in light of the Hume references. We find in Hume a disclosure of a static wheel balancing method wherein the counterbalance is effected by weights of "a single standard size" which are symmetrically and oppositely moved with respect to the point of maximum effectiveness. Accordingly, it is our opinion that the Booth and Hume references fairly disclose the herein recited wheel testing and balancing method insofar as it relates to the testing for static unbalance, the loose placing of a plurality of equal weights on one rim of the wheel, the adjusting of the weights symmetrically and oppositely of the point of maximum effectiveness until the wheel is counterbalanced and the fixing of the weights to the wheel. However, these references are lacking in the concept of using four weights and, after moving the same in pairs to attain static balance, transposing one weight from each pair to the opposite side of the wheel to avoid upsetting the dynamic balance of the wheel.

We find in Lowe a disclosure of dynamically testing an automobile wheel for unbalance of both the static and dynamic type and counterbalancing any unbalance by the addition of equal weights to the opposite sides of the wheel. However, we find disclosed the use of only two weights to attain the counterbalance and such weights are applied directly at the points of maximum effectiveness, as determined by the testing equipment. Consequently, we are not convinced that one of ordinary skill in the art would find in the Lowe disclosure the suggestion of modifying the Booth method by the use, manipulation and attachment of four weights in the manner recited in the instant claims.

While the balancing of an automobile wheel by the application of counterweights as determined by a static test is well known, as evidenced by the Booth, Hume and Morse references, each of these references disclose such counterbalance is attained by the application of a weight or weights to only one side of the wheel which would tend to unbalance the wheel dynamically. On the other hand the instant claims recite a method which not only attains the conventional static balance but which attains the same without unbalancing the wheel dynamically and such appears to us to constitute an improvement over the conventional methods of statically balancing an automobile wheel. Although the recited method of wheel balancing involves elementary engineering principles producing the expected results, as pointed out by the Examiner, the failure of the prior art as evidenced by the references before us, to include the recited step of transposing one weight of each pair to the opposite side of the

wheel to avoid upsetting the dynamic balance of the wheel is, in our opinion, persuasive of the unobviousness thereof.

We have carefully considered all of the references before us in reaching our decision but deem it unnecessary to discuss each reference as several of the same are cumulative as to the features relied upon. Consequently, we have limited our discussion to those references specifically relied upon by the Examiner and those which we have considered most pertinent to the issues under consideration.

For the above reasons, we shall not sustain the rejection of claims 13 and 14.

The decision of the Examiner is reversed.

REVERSED

/s/ James L. Brewrink
Examiner-in-Chief

/s/ Joseph C. Manian
Examiner-in-Chief

/s/ Frank H. Bronaugh
Examiner-in-Chief (Acting)
Board of Appeals

APPENDIX B.

Patent Resources Group
S. C. Yuter, J.S.D.
March 26, 1970

Patent Adjudication by Circuit Courts Subsequent to Graham v. John Deere (February 21, 1966) and Reported in U.S.P.Q. Prior to March 9, 1970.

Circuit (No. of Patents Since Deere)	% Valid		% Valid and Infringed		% Valid and Infringement Not Yet Decided
	Before Deere*	After Deere	Before Deere*	After Deere	
1 (8)	42.9	37.5	20.4	12.5	
2 (24)	26.6	24.8	14.4	16.5	
3 (16)	22.5	25.0	16.9	0.0	18.75
4 (18)	54.9	17.0	43.6	11.1	
5 (21)	59.7	43.0	43.8	33.3	
6 (13)	39.8	38.5	26.9	15.4	
7 (60)	52.1	50.0	35.3	35.0	3.3
8 (17)	23.3	0.0	10.0	0.0	
9 (45)	42.0	17.8	29.5	6.0	
10 (5)	61.9	20.0	57.2	20.0	
D.C. (3)	40.0	33.3	0.0	33.3	
Average**	42.3	27.9	29.0	15.7	2.0

*From The Encyclopedia of Patent Practice and Investment Management as quoted at 51 J.P.O.S. 332 (May 1969) for the period 1953-1963.

**Compare with Court of Claims—53 patents since *Deere*, with 60.3% valid and 49.0% valid and infringed.

APPENDIX C.

Claim 1 of Patent No. 3,002,388:

A process for balancing an automobile wheel comprising positioning the wheel horizontally on a wheel-balancing machine, measuring with a high degree of accuracy any deviation of the plane of the wheel from the horizontal, placing a set of four equal rim weights sufficient to balance the wheel loosely on one rim of the wheel adjacent the point of maximum effectiveness, adjusting the rim weights of said set together in pairs symmetrically and oppositely about said point of maximum effectiveness until said wheel is balanced so that it is in a horizontal position, and thereafter transposing one weight from each pair to approximately corresponding circumferential positions on the rim located on the opposite side of the wheel and connecting the weights to the wheel.

APPENDIX D.

Claim 1 of Patent No. 3,055,221:

In a wheel balancer, an upwardly extending substantially vertical support sleeve immovably fixed to a supporting base, a pedestal movably carried within the support sleeve, means for moving the pedestal between a raised and a lowered position, a pivot head substantially aligned with the pedestal which pivotally engages the pedestal in raised position and which is disengaged from the pedestal in lowered position, a wheel support member surrounding the support sleeve, means for detachably connecting the pivot head to the wheel support member, and means for biasing the pedestal from the raised to the lowered position responsive to removal of a wheel from the wheel support member when the pedestal is in the raised position.

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IN THE

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Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

The Orders, Opinions, Judgments, Findings of Fact and Conclusions of Law relevant to this case are set forth as Items 1 through 6 of the Appendix to the Petition for Writ of Certiorari (Volume II). The Opinion of the Court of Appeals is also reported at 426 F. 2d 8.

Jurisdiction is invoked as set forth on page 2 of the Petition.

Statement of the Case.

This case involves the validity and infringement of Patents Nos. 3,002,388 and 3,055,221, as well as the validity and infringement of the registered trademarks "MICRO" and "MICRO-PRECISION" for balancers and wheel weights.

The '388 patent is for a process of balancing automobile wheels. It involves:

(a) placing a wheel on a bubble balancer and noting the "light point";

(b) placing four equal wheel weights loosely on the rim adjacent the light point;

(c) fanning the weights in pairs outwardly about the rim to effect balance; and

(d) affixing one of each pair on one rim and the other of each pair on the opposite rim at the point of balance.

This patent lies in an ancient art. Wheels have been balanced by affixing wheel weights to the rim since at least the time of the filing of the Hume Patent No. 2,036,757 in 1933 [Deft. Ex. Z] and, in fact, long before that. Both the District Court and the Court of Appeals held it invalid as obvious under 35 U.S.C. § 103.

Admittedly each and every element of this process was old in the art. The prior art, if it did not actually anticipate this patent under 35 U.S.C. § 102, certainly demonstrated that the patentee made no unobvious contribution.

The second patent in suit, the '221 patent, is for a wheel balancer of the pivot type employing a bubble to indicate balance or lack of balance of the pivoted member. The claimed novelty of this patent lies in a cam and spring arrangement associated with the operating handle which automatically removed the balanced element from the pivot whenever a wheel was removed.

This patent too lies in a crowded art. Automatic "off-on" devices for balancers were known before, even in wheel balancers. Both the District Court and the Court of Appeals held that this patent was also invalid under 35 U.S.C. § 103 for obviousness. Neither Court felt that the use of a cam and a spring to achieve the old function of moving a balancer from on to off was beyond the skill of the artisan.

The trademarks "MICRO" and "MICRO-PRECISION" are registered for wheel weights and balancers and are employed by petitioner with respect to its patented balancer and weights which might be used in its patented process. The District Court found them valid and infringed. The Circuit Court reversed, finding both marks invalid as "merely descriptive" (15 U.S.C. §1052e). The Circuit Court noted that the dictionary connotation of "micro" was "extremely small" which is a virtue petitioner claims for its weights and that "precision" was clearly descriptive of balancers and that in "MICRO-PRECISION", "micro" only strengthened the meaning. In finding the words in question descriptive the Circuit Court noted the complete lack of any showing of "secondary meaning".

Respondents respectfully submit that this case does not present any question of any kind which calls for or would justify the consideration of this Court. Four Judges have unanimously agreed that two patents are invalid under 35 U.S.C. § 103 and three Judges have agreed that when you are talking about balancers or weights to be used with such balancers the words "precision", "micro-precision" or "micro" are descriptive and hence not available for any one user to monopolize.

The "Questions Presented" as set forth in the Petition are simply non-existent. So far as can be ascertained from the Petition the petitioner seems to be objecting to the mental processes employed by the Judges who ruled against him, but the record does not bear him out. In his Opinion written for the Court of Appeals of the Ninth Circuit, Circuit Judge Wright carefully analyzed the process of the '388 patent, found it to consist of four steps all individually old in the art, pointing out where in the prior art he found each element. He then concluded that the patent was invalid particularly as each of the four elements in the process performed exactly the same function in the patented process as it had performed in the prior art, saying:

> ". . . 'Two and two have been added together, and still they make only four.' *Great A. & P. Co., supra*, 340 U.S. at 152."

This method patent is invalid for so many reasons that it is difficult to decide what defense to stress but since petitioner has sought to rely on the Patent Office Board of Appeals' decision it may be well to point out the basis for the decision of the Board was "the failure of the prior art as evidenced by the references before us, to include the recited step of transposing one weight of each pair to the opposite side of the wheel to avoid upsetting the dynamic balance of the wheel is, in our opinion, persuasive of the unobviousness thereof." (See Petitioner's Appendix, pp. 46-47).

This basis has now been completely refuted. Finding 37 reads:

> "37. Dividing the balancing weight, when determined, between the two sides of a wheel rim is old in the art of wheel balancing."

To similar effect are Findings 40, 43, 44, 45 and 46 which specifically find that Dapper, Challenger, Moweco and Speedmaster each teach applying the weights to opposite sides of the rim. This is beyond dispute because it is established by documentary evidence.

The District Court following the direction of this Court in *Graham v. John Deere Co.*, 383 U.S. 1 examined the prior art and entered specific findings concerning the teachings of various prior patents and prior uses which had been documented and then found as a fact that the patented process was "obvious". Considering the fact that all that is involved is the manipulation of four pieces of lead such finding is not startling.

Thus, using the precise directions of this Court, both of the Courts below have begun their judicial process with an inquiry into the scope and content of the prior art and ascertained the differences between the prior art and the claims of the process patent, and found these differences, if any, such as should have been obvious to a man skilled in the art. How this invokes Question 1 of the Petition is not apparent.

Substantially the same statement may be made concerning the other patent in suit, the balancer patent. Judge Wright in his Opinion written for the Circuit Court began with noting that a pivot point balancer was known to the prior art. The only novelty claimed for the patent was the addition of a cam and spring arrangement to the old balancer to automatically move it from "on" to "off" when a wheel was removed, a function performed in the prior art by the weight of the operator's foot. The Court concluded that this use of cams and springs was not non-obvious. Thus here

again, the Court of Appeals followed to a "T" the instructions of this Court in *Graham v. John Deere Co., supra, i.e.*, it determined the scope and content of the prior art and the differences between the prior art and the claims at issue. It then determined that this difference was not beyond the skill of the artisan. Again we ask, "How does this procedure of the Circuit Court invoke Question No. 1?".

The Circuit Court of course merely affirmed the District Court, so perhaps we should look to see whether or not Judge Gray followed the *Graham v. John Deere* procedure. When we make this inquiry we find that Judge Gray entered Findings 21 to 25, all dealing with the specific teachings of the prior art with respect to the balancer patent. Finally, in Finding 25 he finds that the only difference he can find is in the manner of use of the spring, which he finds to be obvious. Thus here again, the correct procedure as set down by this Court was followed.

Petitioner appears to be arguing that the judicial process employed here, as required by *Graham v. John Deere Co., supra,* is to be limited to single element patents. How he can make this argument in face of the fact that on page 13 of his Petition he recognizes the fact that in *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57, this Court applied the same rule to a combination of *four* elements is inexplicable.

Petitioner makes many reckless statements, wholly unsupported by and in fact contrary to the record. For instance, petitioner states that the lower courts gave little or no weight to "the evidence that the Bada method and apparatus patents . . . produce new and

improved results". This is simply not true. The Bada process patent No. 3,002,388 relates to a manner of manipulating well known wheel weights about the rims of tires so as to balance the wheels—and so does every one of the prior art processes cited by respondent. The result is inevitably the same—a balanced wheel. The balancer patent No. 3,055,221 discloses a pivot type wheel balancer which moves from "on" to "off" when desired, but so did the prior patent to Holl No. 2,592,804, a fact noted by Curcuit Judge Wright in his Opinion. Thus, in neither patent do we have any new result.

In like manner, each and every one of the other matters listed as (a) to (h) on pages 9 and 10 of the Petition can be disposed of.

(a) and (d) have been disposed of already. There simply was no new result.

(b) merely means that no one would buy until they saw it work. This is true of everything—patentable and unpatentable.

(c) is merely commercial success which, while conceded, is no substitute for invention. *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57.

(e) is not supported by the record.

(f) The evidence shows that the copying included copying Mr. Vernon Dapper's unique idea (at that time) of having wheels balanced whenever new tires were bought. This accounts for everyone's commercial success in this art.

(g) While it is true that the Ninth Circuit relied upon the same prior art as was cited to the Board of

Appeals, Judge Wright recognized that the patents to Holl No. 2,592,804 and Lowe No. 2,700,892 both "disclose the division of weights and the attachment of one in each pair to the opposite rim." (Appendix p. 5), while the Board of Appeals wholly failed to see this (Appendix pp. 46-47).

(h) The Patent Office did not have the unanimous testimony of the patentee, his expert, and the opposing expert to the effect that adding a spring to the prior art balancer made by Bada would provide the patented "off-on" feature, which is the record before the District Court and the Court of Appeals in this case,

There is absolutely nothing unusual about this case. There is no disagreement between Circuit Courts; there has been no refusal to follow the guide lines of this Court, nor has there been any of the situations specified in Rule 19 of this Court for the granting of a review by this Court. This is simply another case of a litigant who has told his attorney, "We've gone this far, let's go all the way". All the way should end with the denial of this Petition.

This case also involves the validity and infringement of two registered trademarks "MICRO" and "MICRO-PRECISION" for wheel balancers and wheel weights used in such balancing. The Circuit Court held both of these trademarks invalid as "merely descriptive", thus reversing the District Court which had found them valid and awarded $13,350.00 damages for their infringement.

In approaching the question of the validity of these trademarks it is immediately apparent that they are composed of words taken straightly from any Standard English Dictionary. As an engineer one would take micro-precision as meaning accurate to one part out of a million, and that is exactly what Bada is suggesting to its potential customers for its balancers and balancing systems using the "micro" weights. Although it is to be doubted that anyone ever believed that they were being afforded such precision, such puffing is probably within the limits of modern advertising largess. However, can petitioner by registering these words as trademarks keep others from similarly claiming the same virtues for their own goods or services? Can Bada thus subtract these words from the English language except for its own exclusive use? The Ninth Circuit Court didn't think so and it is submitted that it was entirely correct in so holding.

Petitioner complains that Judge Wright in his opinion dissects the trademark "MICRO-PRECISION" and considers the words one at a time, but isn't that the way everyone reads? Furthermore, what sort of a dissecting operation is Judge Wright accused of performing on the word "MICRO"? Was it improper for him to look it up in a dictionary? It is important to keep in mind that none of the defendants except Montgomery Ward are accused of using the trademark "MICRO-PRECISION". FMC and Big Four used "MICRO BALANCE" on their balancers and no trademark at all (so far as this litigation is concerned) on their wheel

weights. Obviously "Balance" does not infringe any one of petitioner's trademarks, so that its entire Complaint must rest upon the use of "MICRO". Thus, the petitioner is forced to do just exactly what it claims was improper for Judge Wright to do. It must dissect its trademark "MICRO-PRECISION" to apply it against FMC or Big Four as it succeeded in getting the District Court to do. (See paragraphs 6 and 7 of the Judgment, Appendix 12).

There was no evidence, "no showing as to secondary meaning", to bring this case within this Court's rulings in *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, or *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.*, 240 U.S. 251. In fact the claim of infringement relative to "MICRO BALANCE" is clearly within the exceptions noted in the *Hamilton-Brown Shoe Co.* case wherein this Court recognized that a different question would be presented if the mark were "AMERICAN SHOE".

Finally, we can conceive of no great public interest in making it easier for a single person or concern to appropriate to its own exclusive use a word or words taken directly from the dictionary. In fact the trend is in the opposite direction with words which at one time were trademarks becoming generic dictionary words, *e.g.*, Aspirin, Cellophane.

Conclusion.

This case presents no question of public policy, no matter of great general interest, no conflict between Circuits or with prior rulings of this Court, or any other reason for invoking the jurisdiction of this Court. Two rather obvious ideas have been held unpatentable and two words from the dictionary have been held to be descriptive and hence not capable of appropriation as the exclusive trademarks of petitioner. Such rulings do not shock anyone's conscience. The Petition should be denied.

Respectfully submitted,

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OCT 9 1970
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Reply Brief of Petitioner in Support of Petition for a Writ of Certiorari (Filed August 26, 1970).

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INTRODUCTION.

The brief of Respondents, filed in opposition to Bada's petition, completely ignores the issues and tries to convince this Court that there are no questions worth consideration by setting forth unsupportable facts. It runs together a statement of unsupportable facts and an argument based on these facts under the single heading of "Statement of the Case." This is done in an attempt to draw this Court's attention away from the Questions Presented and the issues as to whether the courts should go beyond structural obviousness where the individual elements are old and consider the inventions as a whole and whether they should go beyond what a word means to them and consider instead the meaning to the trade.

I.

The Questions Presented by Petitioner Are Real and They Should Be Resolved at This Time.

At pages 4-5 respondents assert that the "Questions Presented" are non-existent because the Ninth Circuit followed the guidelines established by this Court.

The Ninth Circuit merely followed its interpretation (which does not comport with that of other Circuits) of the broad guidelines enumerated by this Court in the context of inventions that reduced to bits and pieces. Where the invention involves a complete method or device employing bits and pieces that are admittedly old, an analysis that does not go beyond a consideration of the bits and pieces merely confirms what is already admitted. Other criteria indicative of obviousness or non-obviousness, such as the extent of the departure from the prior art approaches to the problem, the solution of a long-felt want, commercial success, and skepticism of those skilled in the art, are of controlling importance. However, the Ninth Circuit routinely finds structural obviousness and invalidity where all of the elements are old, and it refuses to consider whether the invention as a whole was obvious and gives little or no weight to criteria indicating non-obviousness of the invention as a whole.

This Court has not established guidelines specifically applicable to inventions that must be analyzed as a whole under the 1952 Act. As pointed out in Bada's petition, the Courts of Appeal in the various circuits are interpreting the broad guidelines differently, and guidance from this Court is required in order to achieve uniformity.

Respondents have not in any way discussed the conflict that exists because the Ninth Circuit doesn't go beyond the bits and pieces while other Circuit Courts look to the invention as a whole. Their arguments support the Ninth Circuit tests. Apparently, it is their position that the Ninth Circuit test is the proper one and other tests are incorrect.

With reference to descriptiveness, this Court has not established any guidelines under the Trademark Act of 1946, and hence there is no support for respondents' contention that the Ninth Circuit merely followed guidelines established by this Court.

II.

In Their Endeavor to Support the Piecemeal Analysis of the Bits and Pieces by the Ninth Circuit, Respondents State Many Facts Incorrectly in an Attempt to Avoid an Evaluation of the Inventions and Trademarks as a Whole.

A. The Method Patent.

> Respondents assert on page 4 that the basis for the decision on non-obviousness by the Patent Office Board of Appeals was refuted by the evidence developed at the trial.

Respondents assert that the basis for the decision of the Board of Appeals was failure of the prior art to include the step of transposing one weight of each pair to the opposite side of the wheel, and that this feature was not in the prior art before the Patent Office Board of Appeals. However, this feature was in the prior art before the Board of Appeals. It is shown in the prior art patent to Lowe and also in the prior art patent to Holl. The Examiner in the Patent Office rejected Bada's

claims on the patents to Booth and Lowe. The Board of Appeals analyzed the Lowe patent and each of the other prior art patents as a whole to ascertain the prior art approaches to static wheel balancing and it concluded that when so analyzed it would not be obvious to one skilled in the art to incorporate the teaching of Lowe in order to achieve the patented method. It stated:

> "We find in Lowe a disclosure of dynamically testing an automobile wheel for unbalance of both the static and dynamic type and counterbalancing any unbalance by the addition of equal weights to the opposite side of the wheel. However, we find disclosed the use of only two weights to attain the counterbalance and such weights are applied directly at the points of maximum effectiveness, as determined by the testing equipment. Consequently, we are not convinced that one of ordinary skill in the art would find in the Lowe disclosure the suggestion of modifying the Booth method by the use, manipulation and attachment of four weights in the manner recited in the instant claims." (A. 46).

The Board of Appeals found that combining the old steps in accordance with the patented method would not have been obvious to one of ordinary skill in the art in view of the many different approaches to the overall problem shown by the prior art.

It is submitted that the reason for the differences in opinion between the Board of Appeals and the Ninth Circuit is that the Board concluded, after an analysis of the prior art as a whole, that the invention as a whole would not have been obvious to one skilled in the art if he inspected the prior art, because the approaches to the problem by the prior art were signifi-

cantly different from Bada's approach, whereas the Ninth Circuit concluded that it would have been obvious because all of the bits and pieces were available in the prior art. One looked at the forest and found non-obviousness, and the other looked at the trees and found obviousness *per se*.

> Respondents further assert on page 8 that the Ninth Circuit recognized that Holl and Lowe both disclose the division of weights and the attachment of one of each pair to the opposite rim, while the Patent Office Board of Appeals wholly failed to see this.

The Board of Appeals did see this. It stated:

> "We find in Lowe . . . the addition of equal weights to the opposite sides of the wheel." (A. 46).

Holl supplied the divided weights at the points of maximum effectiveness, like Lowe. The Board's reasoning is equally applicable to Holl.

> Respondents assert on page 5 that all that is involved is the manipulation of four pieces of lead.

This characterization of the patented method is so generalized that it is misleading. What is actually involved are seven procedural steps, as set forth in Claim 1 (D. 50).

Such an oversimplification attempts to obscure the merits of the invention and the effort that was required to find out how the weights should be manipulated. This included:

> "Two years of scientific research, a project conducted under the direction of Dr. Harold Lurie of

the California Institute of Technology, Pasadena, California."

. . .

"This instrumentation phase required five and a half months of intensive effort. This was followed by actual road-testing under scientifically-observed conditions, and the scientific recording of the experienced phenomena on the special-purpose electronic recording instruments, and then expert interpretation of the recorded phenomena." [Ex 30, R.T. 233-237].

Respondents assert on page 7 that the only result provided by the method patent is a balanced wheel.

Such a generalization obscures the real issues, such as how well the wheel is balanced, how much time and money are required and, most importantly, whether the invention as a whole was obvious.

With reference to the results of the method patent, the evidence shows:

a. Comparative tests conducted for Firestone when the Bada system was first introduced showed that the balance achieved by the Bada system was different from the balance achieved by other systems then in use [R.T. 717-718].

b. Respondents' expert witness testified that he found that the Bada system and a conventional spin-balancing system achieved a different balance, and he concluded that "The dynamically [spin] balanced wheel seemed to be a little less smooth than the statically [Bada] balanced wheel" [R.T. 825].

c. Wheels can be balanced by the Bada system in a small fraction of the time required by

other systems used commercially (one or two minutes versus fifteen minutes), and the balancing procedure can be taught to unskilled workers in ten minutes [R.T. 194].

d. The Bada method eliminates the large amount of guesswork and trial and error involved in other methods [Ex. X, p. 53].

e. The Bada method requires only three sizes of weights, whereas other methods require that about 12 or more sizes be available in stock. [Ex. X, p. 53].

Respondents assert on page 7 that petitioner's item (e)—that there was much confusion in the trade concerning how to go about static wheel balancing—is not supported by the record.

There is ample support in the record for petitioners' assertion and consequently respondents' statement is unsupportable. The record shows that there was much confusion and that Bada's method for static wheel balancing was revolutionary and was adopted over or replaced the other methods.

Firestone at the outset of Bada's program had no faith in static wheel balancing of any kind [R.T. 715].

Booth [Ex. Z, British Patent 731,459] uses a horizontal balance. He teaches the use of one or more balancing weights and that they be moved to achieve balance. Thus, the number of weights and the way they are moved are determined by trial and error. Also, the weights are affixed to only one side of the wheel and that alters the dynamic balance of the wheel (*i.e.*, the rotational balance).

Hume [Ex. Z, U.S. Patent 2,052,295] teaches balancing by rotating a wheel in a vertical plane to ascertain the light spot and movement of two weights on either side of the light spot to achieve balance. Ascertainment of balance by rotating a wheel in a vertical plane is prohibitively slow because of trial and error.

Morse [Ex. Z, U.S. Patent 2,136,633] teaches horizontal balancing where one weight is first employed and if this is insufficient, a second weight is added and the weights are shifted circumferentially in opposite directions to cause balance. This involves trial and error.

Lowe [Ex. Z, U.S. Patent 2,700,892] teaches use of a vertical spin type balancer with balancing weights being placed on each side of the wheel at the light spot. This is the conventional spin type balancing method which requires use of many sizes (12 to 20) of weights in order to achieve balance.

Holl [Ex. Z, U.S. Patent 2,592,804] teaches horizontal static balancing where balancing weights are placed at the light spot to achieve balance and half of the weight is placed on each side of the wheel. This requires a large number of weight sizes.

Dapper [Ex. 20] employed horizontal balancing and taught the use of nine sizes of weights, with the weights being positioned 120° apart on the wheel on either side of the light spot and being placed on each side of the wheel. The 120° spacing requires the ultimate use of more weight than is necessary.

Challenger [Ex. M] employed horizontal balancing and taught use of a single weight at the light spot if less than three ounces are reqtiired. If more is required,

then twice as much weight as needed is placed at the light spot and the weights are then positioned 120° apart on the wheel with the weights being attached to each side of the wheel.

Moweko [Ex. L] employed horizontal balancing and teaches positioning weights 120° apart on the wheel and placing one-half of the weight on each side.

Speedmaster [Exs. K, O] employed horizontal balancing and teaches the use of spaced weights of unspecified number to compensate for the spread of the unbalanced rubber on the tire. It employs twelve sizes of weights, and the weight is divided between the inner and outer side of the wheel.

Thus, the record shows that there were numerous versions of static wheel balancing. Firestone had no confidence in any of them until Bada conducted exhaustive tests which caused Firestone to change to the Bada system [R.T. 719].

All of the prior art methods for static balancing are distinctively different from Bada's method. They go off in many directions, and none was successful. Although they disclose the bits and pieces that make up the Bada method, they do not disclose, or even come close to suggesting, Bada's method as a whole.

> Respondents also assert on page 7 that everyone's commercial success was the result of Vernon Dapper's unique idea of having wheels balanced whenever new tires were bought.

Having wheels balanced whenever new tires were bought predates Dapper's entry into the wheel balancing business. He entered the business in 1950, and

used that as part of his sales pitch at that time [R.T. 556-557]. However, those early activities were not very successful, and it was not until the patented method was introduced in 1956 that commercial success was evident [Ex. 34].

B. The Balancer Patent.

> Respondents assert on page 8 that the only novelty claimed for the balancer patent was the addition of a cam and spring arrangement to the old balancer.

The automatic-off feature was first incorporated in a completely new balancer designed by Bada. The patent application for the new balancer was filed on December 8, 1959 [Ex. 3].

Respondents' assertions concerning the addition of a cam and spring to the old balancer refers to Bada's earlier design which is shown in patent No. 2,909,063 which issued October 20, 1959 [Ex. AA]. Respondents' assertions are based upon conjecture, and not upon fact, because the cam and spring were never added to the old balancer. In fact, the addition of the cam and spring to the old balancer would render it inoperative, as set forth in detail at pages 24-29 of the "Brief for Plaintiff-Appellant" before the Ninth Circuit which is in Volume One of the record before this Court.

The novelty claimed for the balancer patent is illustrated by claim 1 (D. 50) which recites seven interrelated elements.

The Patent Office analyzed the invention on the basis of the overall combination—*i.e.*, the invention as a whole. It cited as prior art the old balancer of Bada's

patent No. 2,909,063, but none of the claims was rejected on the basis of the old balancer [Ex. Y]. The old balancer was cited for the purpose of information only, and not for the purpose of rejection [Ex. Y, p. 30]. The Patent Office could not properly have rejected claims such as claim 1 on the basis of the old balancer because as part of the overall combination this claim requires a pedestal movably carried within the support sleeve, whereas the old balancer employs a fixed pedestal 18 [Ex. AA].

Thus, the novelty claimed for the balancer is a new combination of seven interrelated elements which function in a manner different from the prior art to produce a new result. This is not the mere addition of a cam and spring to an old balancer as Respondent asserts and as the Ninth Circuit stated as a foundation for its finding of invalidity (426 F. 2d 8, 10).

> Respondents assert on page 7 that the only result provided by the balancer patent is that it moves from "on" to "off" when desired.

This is another oversimplification that attempts to obscure the merits of the invention. With reference to the results of the balancer patent, the evidence shows:

a. The prior art shows balancers in which the operator must do something in order to turn the balancer off. In Holl the operator must unlatch a lever [Ex. AA].

b. A balancer is likely to be damaged if turning it off is under the control of the operator [R.T. 351-355].

c. The Bada balancer turns off automatically when the weight of a wheel is removed, thereby

eliminating the possibility of damage due to operator error [Ex. 3].

d. The automatic-off feature was given prominence in respondents' sales literature as being an advantageous result [Ex. 7 to Ex. 93].

Thus, the inventions of both patents produce new results over and above the generalized result described by respondents, and these results show the innovation that the patent laws are designed to promote.

> Respondents assert on page 8 that there was unanimous testimony of the patentee, his expert, and the opposing expert to the effect that adding a spring to the prior art balancer made by Bada would provide the patented "off-on" feature.

As noted above, it is physically impossible to add a spring and cam to the prior art balancer to produce Bada's new balancer. Further, the testimony was unanimously equivocal and totally lacking in support of respondents' assertions.

The patentee testified:

> "Well, I am not sure. I think so. Well, I can't answer that definitely without testing. It is possible." [R.T. 547].

Bada's expert testified:

> "You may be able to but it wouldn't—the way to design it, you have to design the spring and the cam with a combined system." [R.T. 687].

Respondents' expert testified:

> "Well, not having a set of working drawings it is a little difficult to answer that positively, but certainly it would appear so." [R.T. 900].

Adding a spring to the prior art balancer made by Bada was never tried. Everything on that argument is based upon conjecture, not fact.

C. The Trademarks.

> Respondents assert on pages 3 and 9 that extremely small is a virtue petitioner claims for its weights and that "Micro" describes them.

Petitioner does not claim that its weights are either small or extremely small. That would be an absurdity for weights that are one, two, and four inches long. Petitioner claims that its system provides accurate balancing with only three weight sizes, and that balance is achieved by starting with the smallest of the three weight sizes so that the lightest weights that can accomplish the balance are employed. [Ex. 30].

> Respondents assert on page 9 that none of the defendants except Montgomery Ward are accused of using the trademark "MICRO-PRECISION".

This generalization attempts to render obscure the fact that Bada's major claim for trademark infringement is against Montgomery Ward, as set forth on pages 63-73 of the "Brief for Plaintiff-Appellant" before the Ninth Circuit which is in Volume 1 of the record before this Court.

Conclusion.

Respondents have ignored the divergence in the tests employed by the different Courts of Appeal. They have focused upon the bits and pieces in the same manner that the Ninth Circuit did, rather than upon the inventions and trademarks as a whole as required by the patent and trademark laws. They have stated many facts incorrectly, in an attempt to reduce Bada's inventions and trademarks to piecemeal analysis.

The questions presented in Bada's petition are concerned with important problems of immediate national concern which should be resolved by this Court in order to carry out the public policy expressed in the patent and trademark laws and in order to achieve uniformity in the administration and application of those laws.

We respectfully submit that Bada's Petition For a Writ of Certiorari should be granted.

Dated: October 5, 1970.

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